



*25<sup>th</sup> Annual Report*

**MADHYA BHARAT AGRO PRODUCTS LIMITED**

**ANNUAL REPORT 2021-2022**

**GENERAL INFORMATION**

**Chairman Cum Non-Executive Director**

Sh. Mahendra Kumar Ostwal

**Managing Director**

Sh. Pankaj Ostwal

**Whole Time Director & Chief financial officer**

Sh. Sourabh Gupta

**Non-Executive Director**

Sh. Praveen Ostwal

**Company Secretary & Compliance Officer**

Ms. Pallavi Sukhwai

**Independent Director**

Sh. Paras Mal Surana

Sh. Arvind Kothari

Sh. Bheru Lal Ostwal

Smt. Shruti Babel

**Statutory Auditor**

Rajneesh Kanther & Associates

Chartered Accountants

Bhilwara (Raj) 311 001

Ph. No. 01482-227154

**Registrar & Transfer Agent**

Bigshare Services Pvt. Ltd

1st Floor, Bharat Tin Works Building Opp.

Vasant Oasis, Makwana Road, Marol, Andheri

(East) Mumbai 400059 Maharashtra

Ph. No.+91-22-62638200

**Secretarial Auditor**

Sourabh Bapna & Associates.

Company Secretaries

2-B-11,12, R.C. Vyas Colony,

Bhilwara, 311 001

Ph. No. 9461264697

**Registered & Corporate Office**

5-O-21, Basement, R.C. Vyas Colony

Bhilwara (Raj.) 311001

Ph:- 01482-233091

E- Mail - [accounts@mbapl.com](mailto:accounts@mbapl.com)

**Cost Auditor**

K C Moondra & Associates.

Cost Accountants

6-D-10, R.C. Vyas Colony,

Bhilwara, 311 001

Ph. No. 9414262202

**Plants**

1. Village: Rajoua, Distt.- Sagar (M.P.)

2. Village: Sourai, Tehsil – Banda  
Distt.- Sagar (M.P.)

**Our Bankers**

**HDFC Bank Ltd.**

Shop 2,3,4, S.K. Plaza, Pur Road

Bhilwara (Raj.) 311001

**Website address**

<http://www.mbapl.com>

**Axis Bank Ltd.**

Ganpati Enclave, Heera Panna Campus

Opposite Nahar Brothers Petrol Pump,

Bhilwara (Raj.) 311001

**Listed on**

National Stock Exchange India Limited

**CHAIRMAN'S MESSAGE**

**Dear Shareholders,**

Over the past decade, it is fair to say that Madhya Bharat Agro Products Limited (MBAPL) has achieved its stated vision to become a truly one of the quality Fertilizer company. In the last two to three years, as the global pandemic caused unprecedented disruption all over the world, we proved the company's resilience under the most testing conditions in the history, culminating in a record financial performance in 2021-22. This achievement has given us greater confidence in the value-creating potential of our people and processes.

The financial performance of MBAPL in fiscal 2022 reflects the outcome of continued volume growth from existing key customer relationships, acquiring new customers across all verticals, which together with the adoption of new Product Line DAP & NPK Complex fertilizer, resulted in 184.08% growth in the Company Profit Before Taxation (PBT) and reported an all-time high turnover of Rs. 491.48 Crore growing by 164.65 % over last Financial Year and similarly Profit after tax at Rs. 57.02 Crore crores was up 181.69%. despite the challenges faced due to the ongoing COVID-19 pandemic impacting several industries across the globe. Our strategy, focused on offering differentiated end-to-end services, supports long-term value creation for our shareholders.

With the view of providing all type of fertilizers to the farmer under one roof and enrich to product line, your Company has recently started manufacturing of its rich value-added products DAP & NPK Complex fertilizer variants in Various regions of India with installed capacity of 120000 MTPA. The Financial Year 2024 would be full-fledged year of functioning of this new project.

With the close of financial year 2021-22, the company has achieved new milestones. RBI Accredited External rating agency has upgraded company's credit rating from BBB+ to A- leading to reduced risk weight for bankers and an achievement, the Company has been aiming for.

Recently, sensing acute shortage of raw material in India Ostwal Group under which your company operates, enter into an agreement with Jordan Phosphate Mines Company (JPMC), Jordan (A government undertaking) for purchase of main raw material Rock Phosphate. Under the agreement, JPMC will supply 5-million-ton of Rock Phosphate for the next 10 years. Approx. Rs. 500 Crore per annum in value of import of Rock Phosphate. This arrangement will ensure uninterrupted production at all the production facilities of the group entities including your Company.

## MADHYA BHARAT AGRO PRODUCTS LIMITED

For the business year 2022, the Board of Directors recommending the dividend of Rs. 0.50 per equity share. In addition, we expect attractive shareholder value generation opportunities in the short- and medium-term from a value accretion perspective.

Your Company is constantly working towards inclusive growth in society through CSR. Through its CSR programmes, Company is supporting sectors like health, education, skill development, environment and empowerment of underprivileged sections of the society and Company is also working on upliftment of farming community through various programmes. During the year, numerous training programmes were organised to educate farmers about balanced use of fertilizers, soil analysis, new farming technologies, methodology of application of different fertilizers etc.

The philosophy of your Company on Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully with the laws and regulations of the country in order to promote ethical conduct & practices throughout the organization for enhancing stakeholder's value. Your Company is committed to comply with the provisions of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 relating to Corporate Governance.

As we continue our eventful journey, I take this opportunity to thank and appreciate my colleagues on the Board of Directors for their valuable contribution and support in running the affairs of the Company. I also wish to express my thanks to the Auditors, Banks and Regulatory Authorities for their guidance and support. I sincerely thank all our customers and business associates for their continued support. I would also like to thank all our employees for their commitment, hard work and contribution to the Company's performance.

With the trust and confidence shown by all of you, we are looking forward to continue our journey in a manner that develops trust and enhances the long term value for all stakeholders.

Thank you,  
Yours sincerely

Sd/-  
Mahendra Kumar Ostwal  
(Chairman)



**COMPANY INFORMATION**

Established in 1997 Madhya Bharat Agro Products Limited is one of the quality Fertilizer and Chemical manufactures of India in private sector. The Company founded By Mr. Shailander Jain, of Sagar but taken over by Ostwal Group in the month of September, 2004. At the time of taking over, the company's total production capacity was 60000 MT PA for SSP. Over the years, with various expansion, backward/forward integration and also with diversification, made itself immune to ups and downs of SSP industry.

We are manufacturing Beneficiated Rock Phosphate (BRP), Sulphuric Acid (SA), Single Super Phosphate (SSP) and Phosphate Rich Organic Manure (Prom) which is used in large quantities for replenishing "P" (Phosphorus) in the soil and act as a fertilizer for the crop. Company is also engaged in production of Sulphur Bentonite and some value-added chemicals like oleum etc. Sulphuric acid is a mother chemical for all chemicals. During the current FY 2021-22, we have started manufacturing phosphoric Acid, DAP/NPK Complex Fertilizer and enhanced capacity in manufacturing of Sulphuric Acid.

The installed capacity as at the end of March 2022 was 240000 TPY for SSP/GSSP, BRP crushing capacity is 198000 TPY, Sulphur Bentonite 10000 TPY, Sulphuric Acid 33000 TPY & Oleum 9900 TPY. With Commencement of new DAP/NPK Complex Fertilizer plant in the first quarter of FY22, we have added 66000 TPY of Sulphuric Acid, 120000 TPY of DAP / NPK Complex Fertilizer and 49500 TPY of Phosphoric Acid.

**BRP (Beneficiated Rock Phosphate)**

With low grade rock phosphate, through the process of BRP, we produce high grade rock which is mainly used for the production of single super phosphate & Phosphoric Acid which is the raw material of Dia-ammonium phosphate (DAP).

**SSP (Single Super Phosphate)**

Single Super Phosphate is a fertilizer produced by treating beneficiated/high grade rock Phosphate with Sulphuric Acid.

This process converts in soluble phosphates into forms more readily available to plants. The product is a low-cost source of phosphorus and sulphur in a wide range of pasture situations. SSP is a traditional product for supplying phosphorus and sulphur to pastures, these are the main two nutrients required for pasture production. SSP helps in improving root growth and development which is most important for uptake of plant nutrient and water.

## **Granulated Single Super Phosphate**

SSP is normally produced in powder form but to increase its ease of sprinkling in farms and also to make it possible to feed SSP with sowing of seeds itself, demand of granulated SSP (GSSP) is growing. We have capability to convert SSP into GSSP to the extent of 180000 TPY.

## **SA (Sulphuric Acid), Oleum 23%, Sulphur Bentonite**

Sulphuric Acid and Oleum require Sulphur as raw material, which is easily available indigenously. Sulphuric acid is used by us for production of SSP and sale in open market as well, we supply Oleum to Indian ordinance factory which use it in manufacturing of explosives for Indian Army, it also used by dyes intermediate and cellulose industry. We have Sulphur sources near to our units at economic freight and competitive price.

## **Phosphoric Acid**

Phosphoric acid,  $H_3PO_4$ , is produced from phosphate rock by thermal process. The reaction, filtration and concentration steps. The phosphate rock is grind and acidified with sulfuric acid in the reactor vessel. The next step is the filtration where the solids are separated and washed and the phosphoric acid is received. Finally, the acid is evaporated to obtain the commercial grade.

## **Diammonium phosphate /NPK Complex Fertilizer**

Diammonium phosphate (DAP) is the world's most widely used phosphorus fertilizer. DAP made from two common constituents in the fertilizer industry, and its relatively high nutrient content and excellent physical properties make it a popular choice in farming and other industries. It's formulated in a controlled reaction of phosphoric acid with ammonia, where the hot slurry is then cooled, granulated and sieved.

NPK Complex fertilizer is crop specific and can be customized as per soil requirements. This is mainly used for oil crops, Soya. We are, at present manufacturing 20:20:0:13 NPK fertilizer whose demand in our area of operations is good.

## FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

Particulars	2021-2022	2020-2021
Revenue from operation	49148.95	18571.39
Depreciation	1812.96	937.20
Profit Before Tax	8117.87	2857.56
Profit After Tax	5702.04	2024.19
Other Comprehensive Income	3.19	-14.62
<b>Total Comprehensive Income for the period</b>	<b>5705.23</b>	<b>2009.58</b>
<b>Financial Position</b>		
<b>Property, Plant and Equipment</b>		
(i) Tangible assets	15306.47	8513.89
(ii) Capital work-in-progress	249.82	7535.05
Non-Current Assets	235.64	140.60
Current Assets	28111.84	10251.57
<b>Total Assets</b>	<b>43903.77</b>	<b>26441.11</b>
Equity Share Capital	2190.67	2190.67
Reserves & Surplus (Other Equity)	18341.04	12745.34
Non-Current Liabilities	4775.27	4673.40
Current Liabilities	18596.79	6831.70
<b>Total Sources</b>	<b>43903.77</b>	<b>26441.11</b>
<b>Profit Before Tax Margin (%)</b>	<b>16.52</b>	<b>15.39</b>
<b>Profit After Tax Margin (%)</b>	<b>11.60</b>	<b>10.90</b>
<b>EPS</b>	<b>26.03</b>	<b>9.24</b>

### PROFIT BEFORE TAX

The Profit before tax for the FY 2021-22 is Rs. 8117.87 Lakhs as against Rs 2857.56 Lakhs in previous year recording a growth of 184.08%.

### TAXATION

Your company's total tax liability for the year is Rs. 2415.83 Lakhs including deferred tax liability of Rs. 993.09 Lakhs.

### PROFIT AFTER TAX

The profit after tax is Rs.5702.04 Lakhs in current year as compared to Rs. 2024.19 Lakhs in the previous year showing a growth of 181.69 %.

### EARNING BEFORE INTEREST, TAX & DEPRECIATION

Your company achieved healthy EBITD of Rs. 10684.81 Lakhs i.e. 21.74 % of Revenue from operations. The EBITD of the previous year of Rs. 4174.89 Lakhs i.e. 22.48% of Revenue from operations.

**Registered Office: 5-O-21, Basement,  
R.C. Vyas Colony, Bhilwara, 311001 Rajasthan  
CIN: L24121RJ1997PLC029126**

**Tel. No.: 01482-237104  
Website: www.mbapl.com**

**Fax No.: 01482-239638  
Email: secretarial@mbapl.com**

## NOTICE

NOTICE is hereby given that the **25<sup>th</sup> Annual General Meeting (AGM)** of the Members of **Madhya Bharat Agro Products Limited** will be held on **Monday, 26<sup>th</sup> day of September, 2022** at **03.30 P.M.** through two-way Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:

**"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.

2. To declare dividend on equity shares for the Financial Year 2021-22.

**"RESOLVED THAT** in terms of recommendation of Board of Directors of the company, the approval of the members of the company be and is hereby granted for payment of dividend @ Rs. 0.50 per share (i.e. 5%) on the fully paid up equity shares of Rs.10/- each of the company for the year 2021-2022.

3. To appoint a Director in place of Mr. Sourabh Gupta (DIN: 07177647), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sourabh Gupta (DIN: 07177647), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To appoint new statutory Auditor namely M/s Ashok Kanther & Associates, Chartered Accountants in place of outgoing statutory auditors namely M/S Rajneesh Kanther & Associates, Chartered Accountants whose five year term expires with the conclusion of

## MADHYA BHARAT AGRO PRODUCTS LIMITED

ensuing 25<sup>th</sup> AGM of the company by passing the following resolution as an ordinary resolution with or without modifications: -

**“RESOLVED THAT** pursuant to provisions of section 139, 142 and other applicable provisions of the companies act, 2013, if any, read with the companies ( Audit and Auditors/s rules, 2014 ), including any statutory enactments or modifications thereto, M/s Ashok Kanther & Associates, chartered accountants (Firm registration number 050014C) be and are hereby appointed as the statutory Auditor of the company for a period of five years from the financial year 2022-2023 to 2026-27 and to hold office from the conclusion of this 25<sup>th</sup> AGM of the company till the conclusion of the 30<sup>th</sup> AGM of the company on such terms and conditions and at a remuneration as may be fixed by the Board of directors from year to year in consultation with the Auditors “ .

### **SPECIAL BUSINESS**

5. To approve and ratify the authority of Board of directors in fixing remuneration of the Cost Auditor(s) for the financial year ending 31st March 2023 and, in this regard, to consider and if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

**"RESOLVED THAT** Shareholders hereby ratify the actions of the Board of Directors pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for approving recommendation of Audit Committee for remuneration to M/s K.C. Moondra & Associates, Cost Auditor(s) to conduct the cost audit of the Company for the financial year ending 31st March 2023 at such remuneration as shall be fixed by the board of directors of the company.

6. To consider and if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution to appoint Mr. Gopal Inani as an Independent Director:

**“RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee, and approval of the Board and subject to the provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Gopal Inani, who was appointed as an Additional Non-Executive Independent Director of the Company by the Board of Directors w.e.f. July 29, 2022 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to the conclusion of the 30<sup>th</sup> Annual General Meeting.

7. To approve the increase in authorized share capital of the company consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

## MADHYA BHARAT AGRO PRODUCTS LIMITED

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, the consent of the Member of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from the present Rs. 25,00,00,000/- (Rupees Twenty-Five Crore only) consisting of 2,50,00,000 (Two Crore fifty lakhs) Equity Shares of Rs 10/- (Rupees Ten) each to Rs. 50,00,00,000/- (Rupees Fifty Crore only) consisting of 5,00,00,000 (Five Crore) Equity Shares of Rs.10 /- (Rupees Ten) each by creation of additional 2,50,00,000 (Two Crore fifty lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each ranking pari-passu in all respect with existing Equity shares of the Company.

**FURTHER RESOLVED THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

**V. “The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crore Only) divided into 5,00,00,000 (Five Crore) Equity Shares of the Face value of Rs. 10/- (Rupees Ten) each.”**

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take necessary actions for, submission of documents and papers with the concerned authorities to register and implement the aforesaid amendment to the Memorandum of Association of the Company and to do all such acts, deeds and things as may be necessary in this regard including authorizing any person of the Company for this purpose.”

8. To approve issue of bonus shares and, in this regard, to consider and if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to relevant provision of the Articles of Association and the provisions of Section 63 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations” (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable regulations, rules and guidelines issued by SEBI and the Reserve Bank of India (“RBI”) from time to time, and such approvals, consents, permissions, conditions and sanctions as may be necessary from appropriate authorities and subject to such terms and modifications, if any, as may be specified while according such approvals and subject to acceptance of such conditions or modifications by the Board of Directors, the consent of the Shareholders of the Company be and is hereby accorded for capitalization of a sum not exceeding of Rs.21,90,67,350/- (Rupees Twenty one Crore Ninety Lakhs Sixty Seven Thousand Three Hundred Fifty only) from and out of Securities Premium and/or Free Reserves and/or Retained Earnings as may be considered necessary, for the purpose of issue of Bonus Equity Shares of Face Value of Rs.10/- (Rupee Ten only) each,



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credited as fully paid up Equity Shares to eligible Members of the Company in the proportion of 1 (One) new fully paid up Equity Share of Face Value of Re. 10/- (Rupee Ten only) each for every 1 (One) existing fully paid-up Equity Share of Face Value of Re. 10/- (Rupee Ten only) each held by the Members of the Company, whose name will appear in the Register of Members maintained by the Company / Beneficial Owners' Position as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the 'Record Date' to be determined by the Board for this purpose.

**RESOLVED FURTHER THAT** the Bonus Equity Shares so allotted shall rank pari-passu in all respects with the fully Paid- Up Equity Shares of the Company as existing on the Record Date.

**RESOLVED FURTHER THAT** in case of fractional shares, if any, arising out of the issue and allotment of the bonus equity shares, the Company shall not issue any shares or certificate in respect of such fractional shares. All fractions of bonus equity shares shall be ignored if any, arising out of the issue and allotment of the bonus equity shares, and no allotment is being made for the fractional Equity Shares and accordingly the number of issuance of bonus share may be reduced."

**RESOLVED FURTHER THAT** the Bonus Equity Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** no allotment letters shall be issued to the allottees of the bonus equity shares and in the case of Members who hold equity shares or opt to receive equity shares in dematerialized form, the bonus equity shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in the case of Members who hold equity shares in physical form, the share certificate(s) in respect of the bonus equity shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

**RESOLVED FURTHER THAT** the issue and allotment of the Bonus Equity Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) and other Foreign Investors, shall be subject to the applicable regulations under the Foreign Exchange Management Act, 1999 or Reserve Bank of India or approval of any other appropriate regulatory / statutory authorities, as may be necessary.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and are hereby severally authorized, to do all such acts, deeds, matters as may in their absolute discretion deem necessary, desirable or expedient for giving effect to this Resolution.

9. To approve material related party transactions and, in this regard, to consider and if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ("SEBI Listing Regulations"), Section 188 of the companies act 2013 and other applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time on basis of approval, recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to enter into various transaction with related parties as defined under the Act and Regulation 2(1)(zb) of the Listing Regulations with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature with related parties in any financial year up to the maximum 500 Crore (Rupees Five Hundred Crore Only) per annum as provided in the table in forming part of the Explanatory statement, on such terms and conditions as may be agreed to by the Board of Directors, provided however, that the said contracts/arrangements/ transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to delegate all or any of the powers conferred on it to any Committee of Board of Directors and/or Managing/Whole-time Director(s) of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

Dated: 23/08/2022  
Place: Bhilwara

By Order of the Board of Directors  
For Madhya Bharat Agro Products Limited

Sd/-  
(Pallavi Sukhwai)  
Company Secretary & Compliance Officer



## NOTES: -

1. In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA ') has vide its General Circular dated 5th May, 2022 read with circulars dated December 14, 2021, January 13, 2021, April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as 'MCA Circulars ') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 12, 2020, January 15, 2021 and May 13<sup>th</sup> 2022 ('SEBI Circulars') has also granted certain relaxations. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations '), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Monday, September 26, 2022 at 03.30 p.m. (IST). The registered office of the Company shall be deemed to be the venue for the AGM.
2. Further, pursuant to the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2021-22 is sent in electronic form only to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the 25<sup>th</sup> AGM has been uploaded on the website of the Company at [www.mbapl.com](http://www.mbapl.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. The National Stock Exchange of India Limited ("NSE") at [www.nseindia.com](http://www.nseindia.com) and on the website of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
3. The explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Business under Item No. 4 to 9 of the accompanying notice is annexed hereto.
4. In respect of Resolution at item no. 3 and 6 a statement giving additional information on Directors seeking appointment/re-appointment is annexed herewith as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Regulations).
5. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC or OAVM, physical attendance of Members has been dispensed with. Accordingly, in terms of the above-mentioned MCA and SEBI circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

6. Members attending the meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.
7. Members seeking any information or clarification are requested to send in written queries to the Company, in advance, before the date of the meeting by mail at [secretarial@mbapl.com](mailto:secretarial@mbapl.com).
8. Corporate members intending to send their authorized representative to attend the AGM through VC or OAVM or to vote through remote e-voting, pursuant to Sections 112 and 113 of the Act, are requested to send a certified copy of the board resolution to the Scrutinizer by e-mail at [Sourabh.bapna12@gmail.com](mailto:Sourabh.bapna12@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), authorizing their representative to attend and vote on their behalf at the AGM.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
10. The Notice is being sent to all the Members, whose names appear in the Register of Members/List of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on Friday, 19<sup>th</sup> August 2022 for those shareholders whose email ids are not registered with the Depositories, for procuring user id and password, Notice and Annual Report, are requested to provide their Mail Id at [secretarial@mbapl.com](mailto:secretarial@mbapl.com).
11. The Members are requested to note that the Company is pleased to provide a two-way Video Conferencing Facility (VC) to view the live streaming of the proceedings of the AGM and facilitate participation of Members at the AGM through VC or asking their questions through a Chat box facility. The Members will be able to view the proceedings on NSDL's e-Voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. Members may use this facility by using the same login credentials as provided for remote e-Voting. Members on the day of the AGM will login through their user ID and password on e-Voting website of NSDL. The link will be available in Member login where the EVEN of Company will be displayed. On clicking this link, the Member will be able to view the webcasting of the AGM proceedings. The VC Facility will be available on September 26, 2022 from 03:30 p.m. (IST) onwards till the conclusion of the Meeting.
13. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on NSDL's e-Voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders

Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

14. Dividend on Equity Shares, as recommended by the Board of Directors for the Year ended 31<sup>st</sup> March, 2022 and subject to approval of members at this Annual General Meeting, will be paid within thirty days from the date of declaration to those shareholders whose name shall appear on the company's register of Members on September 19, 2022.

The Shareholders, who have not claimed their Dividend in the past, are requested to write to the Registrar and Transfer Agent, M/s. Bigshare Services Private Limited, Mumbai to claim the amount of Dividend.

Pursuant to Section 124 of the Companies Act, 2013, if the Dividend Amount is not claimed within 7 Years from the date it is due for payment, such unclaimed amount will be transferred to Investor Education and Protection Fund and thereafter no claim shall become against the Company.

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax at Source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending documents through email at [secretarial@mbapl.com](mailto:secretarial@mbapl.com) on or before September, 19, 2022.

Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [secretarial@mbapl.com](mailto:secretarial@mbapl.com). Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF / JPG Format) by e-mail to [secretarial@mbapl.com](mailto:secretarial@mbapl.com).

15. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode.

Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Bigshare Services Private Limited.

16. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Bigshare Services Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Bigshare Services Private Limited.
17. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Company's Registrars and Transfer Agents, Bigshare Services Private Limited in case the shares are held in physical form.

18. Voting Through Electronic Means: The details of the process and manner of e-voting are explained herein below:

In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on all resolutions through the e-voting service facility arranged by NSDL. The instructions for electronic voting are given in this Notice. The Members may cast their votes using electronic voting systems from a place other than the venue of the Annual General Meeting (AGM) (remote e-voting). The instructions for e-voting are given herein below. The resolutions passed by the Members through e-voting are deemed to have been passed as if they have been passed at AGM.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period begins on 23<sup>rd</sup> September, 2022 (9:00 A.M.) and ends 25<sup>th</sup> September, 2022 (5:00 P.M.). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 19<sup>th</sup> September, 2022, may cast their vote electronically. The voting

right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 19<sup>th</sup> September, 2022.

## How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

### Step 1: Access to NSDL e-Voting system





#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at</li> </ol>



	<p><a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p>  </div> <div style="text-align: center;">  <p><b>Google Play</b></p>  </div> </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at</li> </ol>

	<p><a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

## How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.



b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sourabh.bapna12@gmail.com](mailto:sourabh.bapna12@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 and 1800-224-430 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 4 Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e., 19<sup>th</sup> September, 2022, may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [secretarial@mbapl.com](mailto:secretarial@mbapl.com). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you may reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Toll-free no. 1800-222-990.

## MADHYA BHARAT AGRO PRODUCTS LIMITED

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [secretarial@mbapl.com](mailto:secretarial@mbapl.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [secretarial@mbapl.com](mailto:secretarial@mbapl.com) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**The instructions for members for e-voting on the day of the EGM/AGM are as under: -**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

## **Instructions for members for attending the AGM through VC/OAVM are as under:**

- 1) Member will be provided with a facility to attend the EGM/ AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- 2) Members are encouraged to join the Meeting through laptops for better experience. Further Members will be required to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from their mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio or video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to attend the AGM without any interruption.
- 3) Facility of joining the meeting shall be open 30 minutes before the time scheduled for the meeting and shall be closed 15 minutes after such scheduled time and will be available on first come first served basis.
- 4) Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@mbapl.com](mailto:secretarial@mbapl.com). The same will be replied by the company suitably.

## **Other Instructions**

- 1) The voting rights of shareholders (for voting through remote e-Voting before the AGM and remote e-Voting during the AGM) shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, which is September 19, 2022. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- 2) Any person who is not a member as on the cutoff- date should treat this Notice for information only.
- 3) The e-voting period commences on Friday, September 23, 2022 at 9.00 a.m. (IST) and ends Sunday, September 25, 2022 at 5.00 p.m. (IST) during this period, shareholders of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date, i.e. September 19, 2022, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting.

- 4) Members who are registered with NSDL for e-voting can use their existing user Id and password for casting their votes.
- 5) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC or OAVM but shall not be entitled to cast their vote again.
- 6) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/ her existing User ID and password for casting the vote.
- 7) Mr. Sourabh Bapna, Practicing Company Secretary (Membership No. 51505 & CP No. 19968) has been appointed as the Scrutinizer by the Board for providing facility to the Members of the Company to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.
- 8) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility.
- 9) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will acknowledge the receipt of the same and declare the result of the voting forthwith.
- 10) The results will be declared within 48 hours of conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mbapl.com](http://www.mbapl.com) and on the website of NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared. The Company shall simultaneously forward the results to The National Stock Exchange of India Limited ("NSE") where the shares of the Company are listed.
- 11) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. Monday, September 26, 2022.
- 12) Since the AGM will be held through VC or OAVM, the Route Map is not annexed in this Notice.

Dated: 23/08/2022  
Place: Bhilwara

By Order of the Board of Directors  
For Madhya Bharat Agro Products Limited

Sd/-  
(Pallavi Sukhwai)  
Company Secretary & Compliance Officer

## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

### Item No. 4

M/s Rajneesh Kanther & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company for a term of Five years till the conclusion of 25<sup>th</sup> Annual General Meeting (AGM) of the Company and would retire at the conclusion of the said AGM.

Pursuant to the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, no listed Company can appoint or reappoint an Individual as auditor for more than One terms of five consecutive years.

Accordingly, Pursuant to the aforesaid provision and Based on the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Ashok Kanther & Associates Chartered Accountants (Firm Registration Number: 050014C) are proposed to be appointed as the Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 25<sup>th</sup> Annual General Meeting up to the conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027.

M/s Ashok Kanther & Associates, a Firm registered with the Institute of Chartered Accountants of India since 1989, Firm are primarily engaged in providing audit and related assurance services to its clients in various industry segments.

The Board and the Audit Committee considered various parameters while recommending the appointment of M/s Ashok Kanther & Associates as the Statutory Auditor of the Company including but not limited to their capability to serve the Company, existing experience in the Company's business verticals and segments, clientele, technical knowledge, and found M/s Ashok Kanther & Associates suited to provide audit services to the Company. Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, M/s Ashok Kanther & Associates is eligible for appointment for five consecutive years.

M/s Ashok Kanther & Associates, Chartered Accountants, has consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.



## MADHYA BHARAT AGRO PRODUCTS LIMITED

The proposed remuneration to be paid to M/s Ashok Kanther & Associates for audit services for the financial year ending March 31, 2023, is 2.00 Lakhs (Rupees Two Lakh only) plus applicable taxes and out-of-pocket expenses.

The Board of Directors, in consultation with the audit committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditor.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Resolution for approval of members.

### **Item No. 5**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s K.C. Moondra & Associates, Cost Accountant, to conduct the cost audit of the Company for the financial year ending 31st March, 2023. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board recommend the resolution for approval of members.

### **Item No. 6**

The Board of Directors has appointed Mr. Gopal Inani as an Additional Director from 29th July 2022 pursuant to Section 161 of the Companies Act, 2013. He holds office till conclusion of this Annual General Meeting. His term of office is not liable to retire by rotation.

In accordance with Section 149 and 152 read with Schedule IV of the Companies' Act, 2013 the Securities and Exchange Board of India (SEBI) and all other applicable provisions, that every Listed Company is required that at least half of the board of directors shall comprise of independent directors, so for giving the effect and make in line with the section Company has appointed Mr. Gopal Inani, as an Independent Director on July 29, 2022, in accordance with Section 149 and 152 read with Schedule IV of the Companies' Act, 2013, not liable to retire by rotation and subject to the approval of members, to hold office for a term of 5 (Five) consecutive years up to the conclusion of 30th AGM of the company.

## MADHYA BHARAT AGRO PRODUCTS LIMITED

The Company has received from Mr. Gopal Inani consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and declaration that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

A brief profile of Mr. Gopal Inani, including nature of her expertise, is provided in the notice.

In the opinion of the Board, Mr. Gopal Inani fulfills the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013. Accordingly, the Board, recommends the passing of the Ordinary Resolution as set out in the Notice.

None of the Directors or Key Managerial Personnel and their relatives, Except Mr. Gopal Inani, being an appointee, are concerned or interested (financially or otherwise) in this Resolution.

### **Item No. 7**

In order to meet business requirement, it is required to raise further capital in the Company and hence it is necessary to increase the Authorized Share Capital of the Company and also to amend Capital Clause V of Memorandum of Association of the Company.

Present Authorized Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty-Five Crore only) divided into, 2,50,00,000 (Two Crore fifty lakhs) Equity Shares of Rs 10/- (Rupees Ten) each. After the increased Authorized Capital would be Rs. 50,00,00,000 (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten) each by creation of additional 2,50,00,000 (Two Crore fifty lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each ranking pari-passu in all the respect with the existing equity shares of the Company.

The proposed increase in the authorized capital requires alteration of the Memorandum of Association of the Company and the Board of Directors recommends the passing of this resolution as ordinary resolution .

The Directors are deemed to be interested or concerned in this resolution to the extent of their holding of equity shares of the company.

### **Item No. 8**

In order to maximizing shareholders wealth by capitalizing the profit, the Board of Directors ("Board"), at its meeting held on August 23, 2022, after considering the available reserves, subject to the consent of the Shareholders of the Company and all other requisite approvals, permissions, sanctions had approved and recommended to capitalize to the extent of



## MADHYA BHARAT AGRO PRODUCTS LIMITED

Rs.21,90,67,350/- (Rupees Twenty one Crore Ninety Lakhs Sixty Seven Thousand Three Hundred Fifty only) or such other amount from and out of the Securities Premium and/or Free Reserves and/or Retained Earnings, for issue and allotment of bonus shares in the ratio of 1 (One) new equity shares of Rs.10/- (Rupees Ten only) each for every 1 (One) existing equity shares of Rs.10/- (Rupees Ten only) each of the Company held by the existing Shareholders as on the 'Record Date' to be determined by the Board.

Article 121 of the Articles of Association of the Company permits capitalization out of securities premium account and/or Free Reserves and/or Retained Earnings, for the purpose of issue of bonus equity shares.

Pursuant to the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to applicable statutory and regulatory approvals, if any, the issue of bonus shares of the Company requires the approval of the Shareholders of the Company. Accordingly, approval of the Shareholders of the Company is hereby sought by way of ordinary resolution as set out in this Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in this Notice, except to the extent of their shareholding in the Company.

The Board recommends the Resolution as set out in the notice for the approval of Shareholders.

### **Item No. 9**

As per the provisions of Section 188 of the Companies Act, 2013 ('Act'), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. With effect from 1<sup>st</sup> April, 2022, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), mandates prior approval of the Shareholders through ordinary resolution for all 'material' Related Party Transactions. For this purpose, a transaction with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed `1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

SEBI, vide its circular dated 30<sup>th</sup> March, 2022, has clarified that a Related Party Transaction approved by the Audit Committee prior to 1<sup>st</sup> April, 2022, which continues beyond this date and if it becomes material as per the materiality threshold provided above, requires approval of the shareholders.

The particulars of the contract / arrangement with related parties are as under:

# MADHYA BHARAT AGRO PRODUCTS LIMITED

Particulars	1.	2.	3.	4.	5.	6.
<b>Name of the Related Party</b>	Ostwal Phoschem (India) Limited	Krishana Phoschem Limited	Seasons International Private Limited	Nirmala Real Infrastructure Private Limited	Shree Ganpati Fertilizers Limited	Kanchi Resorts Private Limited
<b>Nature of Relationship with the Company</b>	Holding Company	Entities over which Key Management Personnel are able to exercise significant influence	Entities over which Key Management Personnel are able to exercise significant influence	Entities over which Key Management Personnel are able to exercise significant influence	Entities over which Key Management Personnel are able to exercise significant influence	Entities over which Key Management Personnel are able to exercise significant influence
<b>Type, material terms and particulars of the proposed transaction</b>	Sale, purchase, supply of goods and availing/ rendering of services, selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Sale, purchase, supply of goods and availing/ rendering of services, selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Sale, purchase, supply of goods and availing/ rendering of services, selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Sale, purchase, supply of goods and availing/ rendering of services, selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Sale, purchase, supply of goods and availing/ rendering of services, selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Sale, purchase, supply of goods and availing/ rendering of services, selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties
<b>Tenure of the proposed transaction</b>	Recurring Transactions	Recurring Transactions	Recurring Transactions	Recurring Transactions	Recurring Transactions	Recurring Transactions
<b>Value of the proposed Transaction</b>	Not exceeding 100 crores in a financial year	Not exceeding 250 crores in a financial year	Not exceeding 20 crores in a financial year	Not exceeding 5 crores in a financial year	Not exceeding 10 crores in a financial year	Not exceeding 10 crores in a financial year
<b>Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction</b>	20.3 %	50.9%	4.1%	1.00%	2.00%	2.00%
<b>(a)Details of the source of funds in connection with the proposed transaction.</b>  <b>(b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</b>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

<p>(i) nature of indebtedness; (ii) cost of funds; and (iii) tenure;</p> <p>(c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</p> <p>(d) Purpose for which funds will be utilised</p>						
<p><b>Justification as to why the RPT is in the interest of the Company</b></p>	<p>Our group companies having same business line and transactions between the companies including purchasing and selling of raw material and other transactions from time to time, help smoothen business operations for the companies. The transaction is at arm's length and in the ordinary course of business of the respective companies.</p>	<p>Our group companies having same business line and transactions between the companies including purchasing and selling of raw material and other transactions from time to time, help smoothen business operations for the companies. The transaction is at arm's length and in the ordinary course of business of the respective companies.</p>	<p>Both Companies, being part of the Ostwal Group, these transactions not only help smoothen business operations for both the companies.</p>	<p>Both Companies, being part of the Ostwal Group, these transactions not only help smoothen business operations for both the companies.</p>	<p>Our group companies having same business line and transactions between the companies including purchasing and selling of raw material and other transactions from time to time, help smoothen business operations for the companies. The transaction is at arm's length and in the ordinary course of business of the respective companies.</p>	<p>Both Companies, being part of the Ostwal Group, these transactions not only help smoothen business operations for both the companies.</p>
<p><b>Details about valuation, arm's length and ordinary course of business</b></p>	<p>Arm's length pricing; combination of cost-plus markup and market benchmarking</p>	<p>Arm's length pricing; combination of cost-plus markup and market benchmarking</p>	<p>Arm's length pricing; combination of cost-plus markup and market benchmarking</p>	<p>Arm's length pricing; combination of cost-plus markup and market benchmarking</p>	<p>Arm's length pricing; combination of cost-plus markup and market benchmarking</p>	<p>Arm's length pricing; combination of cost-plus markup and market benchmarking</p>
<p><b>Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction</b></p>	<p>Not Applicable</p>	<p>Not Applicable</p>	<p>Not Applicable</p>	<p>Not Applicable</p>	<p>Not Applicable</p>	<p>Not Applicable</p>
<p><b>Any other information relevant or important for the shareholders to take an informed</b></p>	<p>All relevant information forms a part of this Explanatory statement setting out</p>	<p>All relevant information forms a part of this Explanatory statement setting out</p>	<p>All relevant information forms a part of this Explanatory statement setting out material facts.</p>	<p>All relevant information forms a part of this Explanatory statement setting out material facts.</p>	<p>All relevant information forms a part of this Explanatory statement setting out</p>	<p>All relevant information forms a part of this Explanatory statement</p>

# MADHYA BHARAT AGRO PRODUCTS LIMITED

decision	material facts.	material facts.			material facts.	setting out material facts.
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Particulars	7.	8.	9.	10.	11.	12.
<b>Name of the Related Party</b>	R. V. Spinners Private Limited	Pankaj Ostwal	Praveen Ostwal	Mahendra Kumar Ostwal	Ekta Jain	Nitu Jain
<b>Nature of Relationship with the Company</b>	Entities over which Key Management Personnel are able to exercise significant influence	Interested Director	Interested Director	Interested Director	Interested Director	Interested Director
<b>Type, material terms and particulars of the proposed transaction</b>	Sale, purchase, supply of goods and availing/ rendering of services, selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties	Selling or otherwise disposing of, or buying, property of any kind, Directly or through Appointment of Agent, Leasing of Property of any kind or any other transactions of whatever nature with related parties
<b>Tenure of the proposed transaction</b>	Recurring Transactions	Recurring Transactions	Recurring Transactions	Recurring Transactions	Recurring Transactions	Recurring Transactions
<b>Value of the proposed Transaction</b>	Not exceeding 5 crores in a financial year	Not exceeding 15 crores in a financial year	Not exceeding 15 crores in a financial year	Not exceeding 15 crores in a financial year	Not exceeding 15 crores in a financial year	Not exceeding 15 crores in a financial year
<b>Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction</b>	1.00%	3.1%	3.1%	3.1%	3.1%	3.1%
<b>(a) Details of the source of funds in connection with the proposed transaction.</b>  <b>(b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</b>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(i) nature of indebtedness; (ii) cost of funds; and (iii) tenure;  (c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured						
(d) Purpose for which funds will be utilised						
<b>Justification as to why the RPT is in the interest of the Company</b>	Both Companies, being part of the Ostwal Group, these transactions not only help smoothen business operations for both the companies.	Company enters into various transactions with Directors and there relative including rendering and availing of services, and other transactions from time to time. these transactions not only help smoothen business operations, but also ensure services without interruptions.	Company enters into various transactions with Directors and there relative including rendering and availing of services, and other transactions from time to time. these transactions not only help smoothen business operations, but also ensure services without interruptions.	Company enters into various transactions with Directors and there relative including rendering and availing of services, and other transactions from time to time. these transactions not only help smoothen business operations, but also ensure services without interruptions.	Company enters into various transactions with Directors and there relative including rendering and availing of services, and other transactions from time to time. these transactions not only help smoothen business operations, but also ensure services without interruptions.	Company enters into various transactions with Directors and there relative including rendering and availing of services, and other transactions from time to time. these transactions not only help smoothen business operations, but also ensure services without interruptions.
<b>Details about valuation, arm's length and ordinary course of business</b>	Arm's length pricing; combination of cost-plus markup and market benchmarking	Arm's length pricing; combination of cost-plus markup and market benchmarking	Arm's length pricing; combination of cost-plus markup and market benchmarking	Arm's length pricing; combination of cost-plus markup and market benchmarking	Arm's length pricing; combination of cost-plus markup and market benchmarking	Arm's length pricing; combination of cost-plus markup and market benchmarking
<b>Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction</b>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Any other information relevant or important for the shareholders to take an informed decision</b>	All relevant information forms a part of this Explanatory statement setting out material facts.	All relevant information forms a part of this Explanatory statement setting out material facts.	All relevant information forms a part of this Explanatory statement setting out material facts.	All relevant information forms a part of this Explanatory statement setting out material facts.	All relevant information forms a part of this Explanatory statement setting out material facts.	All relevant information forms a part of this Explanatory statement setting out material facts.

All the Related Party Transaction is in the ordinary course of business and on an arm's length basis. The transaction shall also be reviewed/monitored on an annual basis by the Audit Committee of the Company and shall remain within the proposed limits as placed before the shareholders. Any subsequent 'Material Modification' in the proposed transaction, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions', shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such ordinary resolution to approve any contract or arrangement, if such member is a related party.

None of the Directors and other KMP of the Company and their respective relatives (to the extent of their shareholding in the Company, if any) in any way, are concerned or interested either directly or indirectly, financially or otherwise in the Resolution set out in the accompanying Notice.

The Board Recommends the ordinary Resolution set out for the approval of Members.

Dated: 23/08/2022  
Place: Bhilwara

By Order of the Board of Directors  
For Madhya Bharat Agro Products Limited

Sd/-  
(Pallavi Sukhwal)  
Company Secretary & Compliance Officer

## INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATION, 2015

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 the particulars of Directors who are proposed to be appointed/reappointed at the forthcoming Annual General Meeting are as follows:

### Appointment/Reappointment

#### 1. Mr. Sourabh Gupta (DIN 07177647) retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. Sourabh Gupta aged 37 years, presently Whole Time Director and Chief Financial Officer of Company. He is Chartered Accountant by qualification. He is associated with the company since 2010. He is Expertise Finance Accounts and Tax. He managing the financial, Commercial and administrative matters of the company. He has been appointed as the Chief Financial Officer of the Company with effect from May 19, 2014 and Director with effect from May 01, 2015. He is young and dynamic person, having 12 years' experience and he is presently looking into the financial and technical matters of the Company.

Mr. Sourabh Gupta is not a relative to the any of Directors of the Company. He is neither Chairman nor a Member of any Committees of the Board of Company.

Mr. Sourabh Gupta does not hold any shares of the Company.

Certain additional information about Mr. Sourabh Gupta is as under:

Name of the Director	Sourabh Gupta
DIN	07177647
Date of Birth	08/02/1984
Date of first appointment on the Board	01 <sup>st</sup> May 2015
Qualification	Chartered Accountant, M.Com.
Nature of expertise in specific functional areas	Finance Accounts and Taxation
Disclosure of relationships between directors inter-se	N.A.
Names of listed entities in which the person also holds the directorship	Nil
The membership of Committees of the board	Nil
listed entities from which the person has resigned in the past three years	Nil
Shareholding of directors in the Company as on 31.03.2022	Nil

Number of meetings of the Board attended during the year	He attended 11 Board meetings held during FY 2021-22
Directorship of other Companies as on 31st March, 2022	Nil
Chairmanship/Membership of Other committees of Companies as on 31st March 2022	Nil

**2. Mr. Gopal Inani (DIN 09642942) appointed as a regularized Independent Director of the Company for the five (5) consecutive years, not liable to retire by rotation.**

Mr. Gopal Inani aged 65 years, presently Additional Director of Company. Sh. Gopal Inani is Mechanical Engineer from Board of Technical Education, Rajasthan and having 37 years' experience in various companies as under:

- UltraTech Cement (Unit: Vikram Cement Works, KHOR, Neemuch, M.P.): - From October 1985 to February 2017, Senior Manager (Mechanical)
- Dhar cement Limited, JEERABAD, Manawar (M.P.): - From December 1983 to October 1985, worked as Assistant Engineer (Mechanical)
- Mewar Sugar Mills, Bhupal Sagar, Chittorgarh (Rajasthan): - From March 1980 to December 1983, worked as Junior Engineer (Mechanical)

He played vital role in implementation of various safety standards at plant level and Worked on Implementation of various systems i.e. ISO 9001 for quality, 14001 for environment, OHSAS 18001 for safety and SA 8000 for social accountability. He has also been responsible for Statuary compliances of Indian Railway, BIS and Legal Metrological rules with respect to cement industries.

Certain additional information about Mr. Gopal Inani is as under:

Name of the Director	Gopal Inani
DIN	09642942
Date of Birth	05/02/1957
Date of first appointment on the Board	29 <sup>th</sup> July 2022
Qualification	Mechanical Engineer
Nature of expertise in specific functional areas	Technical and Project field
Disclosure of relationships between directors inter-se	N.A.
Names of listed entities in which the person also holds the directorship	Krishana Phoschem Limited



The membership of Committees of the board	<b>I. Audit Committee:</b> A. Chairman: NIL B. Member: 1 <b>II. Nomination &amp; Remuneration Committee:</b> A. Chairman: NIL B. Member:1 <b>III. Stakeholder Relationship Committee:</b> A. Chairman: NIL B. Member:1 <b>IV. Corporate Social Responsibility Committee:</b> A. Chairman: 1 B. Member: NIL <b>V. Independent Directors Committee:</b> A. Chairman: 1 B. Member: NIL
Listed entities from which the person has resigned in the past three years	Nil
Shareholding of directors in the Company as on 31.03.2022	Nil
Number of meetings of the Board attended during the year	Nil
Directorship of other Companies as on 31st March, 2022	Nil
Chairmanship/Membership of Other committees of Companies as on 31st March 2022	Nil

## DIRECTORS' REPORT *For the Year 2021-2022*

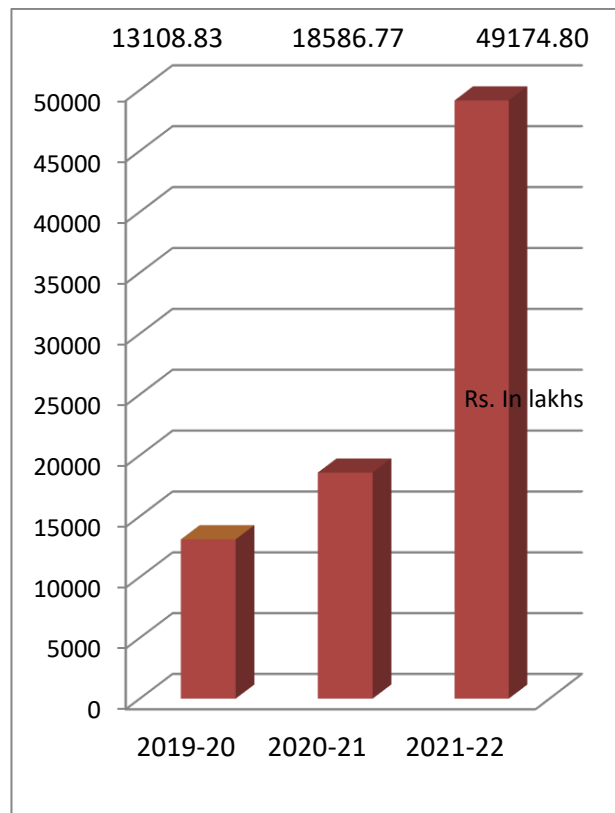
Dear Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2022.

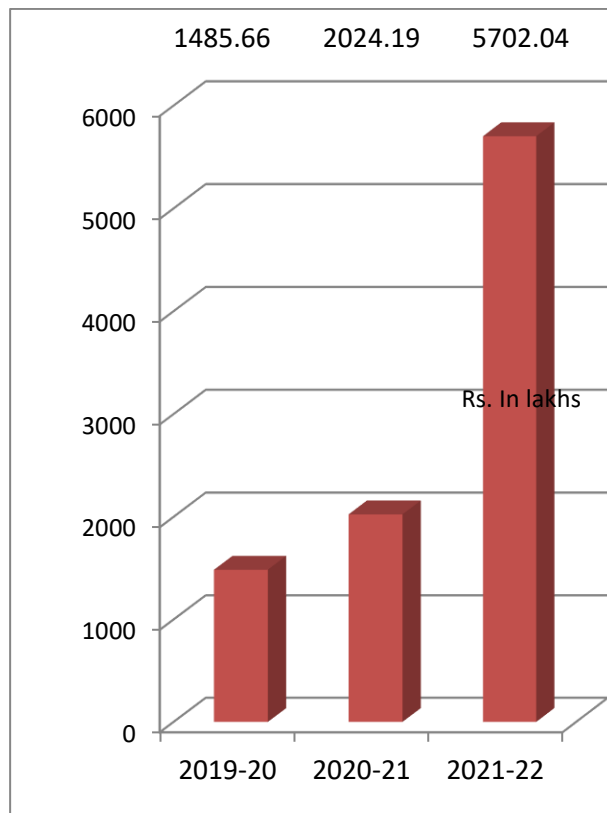
### FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Particulars	2021-2022	2020-2021
Turnover and Other Income	49174.80	18586.77
Profit Before Taxation	8117.87	2857.56
Taxation/Deferred Tax	2415.83	833.37
Profit / (Loss) after Tax	5702.04	2024.19
Other comprehensive income	3.19	-14.62
Total comprehensive income	5705.23	2009.58
Earning Per equity Share	26.03	9.24



**Turnover**



**Profit**

## **PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIR**

During the year ended, the Company has reported revenue from operations of Rs 491.49 crores in its business registering at strong growth of 164.65 %.

The Net Profit for the year ended March 31, 2022 stood at Rs 57.02 crores translating into a healthy annual growth of 181.69%. The Earnings per share for the year is Rs. 26.03 compared to Rs. 9.24 for the last year.

## **COVID-19 IMPACT**

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. In the first three months of FY 2022, affected most of business operations.

COVID-19 is an unprecedented challenge. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company operates its business in conformity with the protocol prescribed by Govt authorities with highest safety and well-being of all the stakeholders including workers and staff at all its plant locations, various branch offices and the head office.

## **CHANGE IN THE NATURE OF BUSINESS OF COMPANY**

During the year under review, there is no change in the nature of business of Company.

## **LISTING OF THE COMPANY**

The Shares of your Company are listed on Platform of "National Stock Exchange". The annual Listing Fees for the Year 2022-23 has been paid to the exchange.

## **SHARE CAPITAL**

During the year ended 31<sup>st</sup> March 2022, there was no change in the issued and subscribed capital of the Company, the capital as on 31<sup>st</sup> March 2022 continues to be 2190.67 Lakhs comprising of 219.07 Lakhs shares of 10/- each.

## **ANNUAL RETURN:**

The information required pursuant to the provisions of Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year ended on March 31<sup>st</sup>, 2022 is available on the website of the Company viz. <http://www.mbapl.com>

## **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Pursuant to Regulation 34 of the Listing Regulations, the Business Responsibility and Sustainability Report for the financial year ended 31<sup>st</sup> March, 2022, is provided in Annexure I forming part of this report.

## **STATUTORY AUDITORS & STATUTORY AUDITORS' REPORT**

The term of M/s. Rajneesh Kanther & Associates, Chartered Accountants, statutory auditors of the company will be expiring in the conclusion of this 25<sup>th</sup> Annual General Meeting, therefore, the Board has recommended the appointment of M/s Ashok Kanther & Associates, Statutory Auditors of the Company for a term of 05 years from the conclusion of this annual general meeting till the conclusion of 30<sup>th</sup> AGM held in the year 2027 subject to approval of shareholders of the Company.

M/s Ashok Kanther & Associates have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment.

The Auditor's Report is self-explanatory and therefore, does not call for any further comments/clarifications and Auditor's report does not contain any qualification, reservation or adverse remarks.

## **SECRETARIAL AUDITOR & SECRETARIAL AUDITORS' REPORT**

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014, the company has appointed M/s Sourabh Bapna & Associates, a practicing company Secretaries to undertake the Secretarial Audit of the Company for financial year 2022-23. The Company has received their consent for Re-appointment.

The Secretarial Audit report for financial year 2021-22 received from Sourabh Bapna & Associates is provided in Annexure II forming part of this report. The Secretarial Audit report does not contain any qualification, reservation or adverse remarks.

## **COST AUDITOR**

The Company has made and maintained cost accounts and records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

For the financial year 2021-22, M/s. K. C. Moondra & Associates, Cost Accountant have conducted the audit of the cost records of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and on the recommendation of the Audit Committee, the Board has appointed M/s K.C. Moondra & Associates, Cost Accountants (Registration No. 101814), at such remuneration as shall be fixed by the board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023. The Re-appointment and the remuneration of the cost Auditor is required to be ratified subsequently by the Members of the Company and further subject to the approval of the Central Government.

The Company has received their written consent and confirmation that the Re-appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

## **INTERNAL AUDITOR & AUDITORS' REPORT**

As per section 138 of The Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the company has Re-Appointed M/s Sourabh Bapna & Associates, Practicing Companies Secretaries as Internal Auditor to conduct Internal Audit for the Financial Year 2022-2023. The Company has received their consent for Re-appointment.

The Internal Audit Report is received by the Company and the same is reviewed and approved by the Audit Committee and Board of Directors for the year 2021-2022. All the observations made by the Internal Auditors have been attended to.

## **INTERNAL CONTROL SYSTEM**

The company has in place an adequate internal control system, which is commensurate with the size, scale and complexity of the company. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

During the period under review the Internal Financial Control were tested and no reportable material weakness in the design or operation were observed.

## **REPORTING OF FRAUDS BY AUDITORS, IF ANY**

No fraud has been reported by auditors under section 143 (12) of the companies act 2013.

## **RESERVES**

During the year under review, The Board of Directors of the Company has not recommended for transfer of any amount to the Reserve from surplus for the Financial Year ended March 31, 2022. An amount of 16663.35 Lakhs (previous year 11070.84 Lakhs) is proposed to be held as Retained Earnings.

## **DIVIDEND**

The Directors are pleased to recommend a final dividend of 0.50 per share (i.e. 5%) on the Equity Shares of the Company of 10 each for the year ended March 31, 2022 (previous year 0.50 per share). The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting.

The Dividend payout for the Financial Year under review is in accordance with the Company's Dividend Distribution Policy.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy of the Company is made available on the website of the Company viz. [www.mbapl.com](http://www.mbapl.com).

## **DEPOSITS**

The Company has not accepted any deposits covered under section 73 of the Companies Act, 2013.



## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

### **NO DEFAULT**

The company has not defaulted in payment of interest and/or repayment of loan to any of the financial institutions and/or bank.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with provisions of Companies Act, 2013 and Company's Articles of Association, Mr. Sourabh Gupta (DIN 07177647), Director of the Company, retire by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Pankaj Ostwal, Managing Director of the Company, Mr. Sourabh Gupta, Whole Time Director & Chief Financial Officer and Ms. Pallavi Sukhwil, Company Secretary of the Company were designated as Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The policy on appointment of directors, remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the Company's website at [www.mbapl.com](http://www.mbapl.com).

### **DECLARATION OF INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. The terms and conditions for appointment of the Independent Directors are incorporated on the website of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold highest standards of integrity.

### **NUMBER OF MEETINGS OF BOARD OF DIRECTORS**

The Board of Directors duly met 11 (Eleven) times on 29<sup>th</sup> April 2021, 10<sup>th</sup> June 2021, 15<sup>th</sup> June 2021, 29<sup>th</sup> July 2021, 07<sup>th</sup> August 2021, 27<sup>th</sup> August 2021, 9<sup>th</sup> November 2021, 22<sup>nd</sup> November 2021, 01<sup>st</sup> December 2021, 04<sup>th</sup> February 2022 and 28<sup>th</sup> March 2022 in F.Y. 2021-22 for which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### **INSOLVENCY AND BANKRUPTCY CODE & ONE-TIME SETTLEMENT**

The company does not make any application under the Insolvency and Bankruptcy Code, 2016 and There is no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC Code).

Further, there has not been any instance of one-time settlement of the Company with any bank or financial institution.



## **PARTICULARS OF EMPLOYEES**

The information required pursuant to the Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company is provided in Annexure III forming part of this report.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING**

The details as required under section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8 of Companies (Account) Rule, 2014 for conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure IV forming part of this report.

## **PARTICULAR OF LOAN, GUARANTEE AND INVESTMENT UNDER SECTION 186**

The information required for loans given, investment made or guarantee given or security provided during the year under section 186 of the Companies Act, 2013 read with the rule 11 of Companies (Meetings of Board and its power) Rule, 2014 is provided in Annexure V forming part of this report and also provided in the financial statement of the Company (please refer Notes of the balance sheet).

## **RISK MANAGEMENT**

Proper Risk Management Practices have been followed for the purpose of risk identification, analysis, and mitigation planning, monitoring, and reporting. Although, all risks cannot be eliminated, but mitigation and contingency plans are developed to lessen their impact if they occur.

## **COMPLIANCE WITH THE SECRETARIAL STANDARDS:**

The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), as applicable.

## **RELATED PARTY TRANSACTION UNDER SECTION 188**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company during the financial year which were in the conflict of interest of the company.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure VI in Form AOC-2 and the same forms part of this report.

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The Corporate Governance and Management Discussion & Analysis Report, as required pursuant to the SEBI ((Listing Obligations & Disclosure Requirements) Regulations, 2015, is provided in Annexure VII and Annexure VIII respectively forming part of this report.

## BOARD EVALUATION:

Pursuant to the relevant provisions of the Companies Act, 2013 and the Listing regulations, the Board has carried out an annual performance evaluation of its own, working of its Committees and the Directors. The Nomination and Remuneration Committee has carried out evaluation of every Director. The Independent Directors evaluated performance of the Non-Independent Directors, the Board as whole and the Chairperson of the Company.

## COMMITTEES OF BOARD:

The Board of Directors of your Company has constituted the following committees in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements), Regulation, 2015:

### AUDIT COMMITTEE DISCLOSURE UNDER SECTION 177:

The Audit Committee of the Company consists of 2 Independent Directors and 1 Executive Director. The Chairman of the Audit Committee is financially literate and majority of them having accounting or related financial management experience. Company Secretary acts as Secretary to the Committee.

The following Directors are the members of Audit Committee.

(1) Shri Arvind Kothari	Chairman
(2) Shri Pankaj Ostwal	Member
(3) Shri Bheru Lal Ostwal	Member

During the year, the Committee had 4 Meetings i.e. on 15<sup>th</sup> June 2021, 29<sup>th</sup> July 2021, 9<sup>th</sup> November 2021, and 04<sup>th</sup> February 2022.

### NOMINATION & REMUNERATION COMMITTEE DISCLOSURE UNDER SECTION 178:

In pursuant to the provisions of section 178 (4) of the Companies Act, 2013, the Nomination and Remuneration Policy recommended by the Nomination and Remuneration committee is duly approved by the Board of Directors of the Company. Policy is disclosed on the website of the Company viz. [www.mbapl.com](http://www.mbapl.com)

The following Directors are the members of nomination and Remuneration Committee.

(1) Shri Bheru Lal Ostwal	Chairman
(2) Shri Arvind Kothari	Member
(3) Shri Paras Mal Surana	Member

The Committee meets Twice in a year and also as and when any remuneration is to be fixed for any Director /Managing Director and Key Managerial Personnel. During the year the Committee had a Meetings i.e. on 29<sup>th</sup> April 2021, 27<sup>th</sup> August 2021.

### STAKEHOLDER RELATIONSHIP COMMITTEE:

The following Committee of Directors looks after the Investor Grievances:

(1) Shri Arvind Kothari	Chairman
-------------------------	----------

- |                           |        |
|---------------------------|--------|
| (2) Shri Pankaj Ostwal    | Member |
| (3) Shri Bheru Lal Ostwal | Member |

During the year the 4 Stakeholder Relationship Committee Meetings were held on 15<sup>th</sup> June 2021, 29<sup>th</sup> July 2021, 09<sup>th</sup> November 2021 and 04<sup>th</sup> February 2022.

## INDEPENDENT DIRECTORS COMMITTEE:

The following are the members of independent director's committee:

- |                           |          |
|---------------------------|----------|
| (1) Shri Bheru Lal Ostwal | Chairman |
| (2) Shri Arvind Kothari   | Member   |
| (3) Shri Paras Mal Surana | Member   |

During the year under review, the Independent Directors met on 04<sup>th</sup> February, 2022.

## CORPORATE SOCIAL RESPONSIBILITY:

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programme to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. CSR Policy is disclosed on the website of the Company viz. [http://mbapl.com/pdf/CSR\\_Policy\\_MBAPL.pdf](http://mbapl.com/pdf/CSR_Policy_MBAPL.pdf)

As per provision of new enacted Company Act, 2013, the Board of Directors have formed Corporate Social Responsibilities Committee having the following members: -

- |                           |          |
|---------------------------|----------|
| (1) Shri Arvind Kothari   | Chairman |
| (2) Shri Paras Mal Surana | Member   |
| (3) Shri Bheru Lal Ostwal | Member   |

Our Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society.

During the year the Committee had 2 Meetings i.e. on 09<sup>th</sup> November 2021 and 28<sup>th</sup> March 2022. Annual Report on Corporate Social Responsibility of the Company is provided in Annexure IX forming part of this report.

## WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has established vigil mechanism policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. Vigil Mechanism Policy is disclosed on the website of the Company viz. <http://mbapl.com/pdf/Vigil-mechanism.pdf>

**MATERIAL CHANGES AND COMMITMENTS:**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:**

The Company does not have any Subsidiary, Joint Venture and Associate Company.

**CREDIT RATINGS:**

During fiscal 2022 Infomerics Valuation and Rating Pvt. Ltd. (Integrated Financial Omnibus Metrics Research of International Corporate Systems) has assigned following Credit Ratings in respect of borrowings availed by the Company-

- Rating upgraded from 'IVR BBB+/Stable' to 'IVR A-/Stable' on the long-term fund based bank facilities – Term Loan and Cash Credit.
- Rating upgraded from 'IVR A2' to 'IVR A2+' on the short term non-fund based bank facilities – Letter of credit.
- Rating upgraded from 'IVR A2' to 'IVR A2+' on the short term non-fund based bank facilities – (PSR) Pre Settlement Risk.
- Rating assigned as 'IVR A-/Stable' on the long-term fund based bank facilities – GECL (Working Capital Term Loan)
- Rating assigned as 'IVR A-/Stable' on the proposed long-term fund based facilities –Cash Credit.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-2022.

No. of complaints received: Nil

No. of complaints disposed off: Nil

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (3) (c) & 134 (5) of the Companies Act, 2013 with respect to Directors Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the Accounts for the Financial Year ended 31<sup>st</sup> March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit of the company for the year under review.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2022 on a going concern basis.
- e) That the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) That the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## HEALTH, SAFETY AND QUALITY MANAGEMENT

Your Company is ISO 9001:2015 certified and maintains high quality of product and processes and the company is conscious about its responsibility towards the upkeep of environment and maintenance of high safety and health standards at its work places.

## ACKNOWLEDGEMENT

The Directors are thankful to the Central and State Government Departments, Organizations and Agencies for their continued guidance and co-operation. The Directors are grateful to all valuable Stakeholders, Dealers, Vendors, Banks and other business associates for their excellent support and help rendered during the year. The Directors also acknowledged the appreciation to the team of executives, staff and workers, who have shown devotion and efficiency in performing their jobs.

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

Place Bhilwara

Date 30.05.2022

Sd/-  
(Pankaj Ostwal)  
**Managing Director**

DIN 02586806

Sd/-  
(Sourabh Gupta)  
**Whole Time Director  
&  
Chief Financial Officer**  
DIN 07177647

## ANNEXURE 'I'

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT 2021-22

Madhya Bharat Agro Products Limited always put sustainability at the heart of its business approach. We always put our responsibilities on priority basis to our stakeholders. We have balanced success as a business with unwavering focus on exemplary governance and responsiveness to the needs of the ecology and society.

Our Company has adopted the Business Responsibility and Sustainability Report (BRSR) for financial year 2021-22 in order to provide enhanced disclosures on its ESG practices and priorities. The BRSR follows the NGRBC principles on the social, environmental and economic responsibilities of business.

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	CIN	L24121RJ1997PLC029126
2.	Name of the Company	Madhya Bharat Agro Products Limited
3.	Year of Incorporation	October 22, 1997
4.	Address of Registered office	5-O-21, Basement, R.C. Vyas Colony Bhilwara (Raj.) 311001
5.	Address of Corporate Office	5-O-21, Basement, R.C. Vyas Colony Bhilwara (Raj.) 311001
6.	E-mail ID	<a href="mailto:secretarial@mbapl.com">secretarial@mbapl.com</a>
7.	Telephone No.	01482-237104, 233091
8.	Website	<a href="http://www.mbapl.com">www.mbapl.com</a>
9.	Financial Year reported	Financial Year 2021-22
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE)
11.	Paid up Capital (Rs.)	₹ 21,90,67,350
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Sourabh Gupta (Whole Time Director & CFO) Email Id: <a href="mailto:secretarial@mbapl.com">secretarial@mbapl.com</a> Mobile No.- 01482-237104
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all	The disclosures under this report are made on a Standalone basis.



## MADHYA BHARAT AGRO PRODUCTS LIMITED

	the entities which form a part of its consolidated financial statements, taken together).	
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### II. PRODUCTS/SERVICES

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Fertilizer	Manufacturing, Distribution, Sales & Marketing of crop Protection and crop Nutrition Products	93.37
2	Chemical		06.63

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Single Super Phosphate (SSP)	20122	52.24%
2	Nitrogen, phosphorus and potassium (NPK)	20122	23.21%
3	Di-ammonium Phosphate(DAP)	20122	2.73%
4	Prom	20121	0.89%
5	Potash	20122	5.27%
6	Sulphuric Acid & Sulphur	20112	06.48%
7	Phosphoric Acid	20112	00.15%
8	Other Fertilizer Product	20121	09.03%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	4	6
International	-	-	-

#### 17. Markets served by the entity:

##### a) Number of locations

Locations	Number
National (No. of States)	10
International (No. of Countries)	-

##### b) What is the contribution of exports as a percentage of the total turnover of the entity?

0%

### c). A brief on types of customers

The Company serves various customers including retailers, distributors through its domestic business. The Company's products are consumed within India.

## IV. Employees

### 18. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	149	147	98.66%	2	01.34%
2.	Other than Permanent (E)	0	0	00.00%	0	00.00%
3.	Total employees (D + E)	149	147	98.66%	2	01.34%
WORKERS						
4.	Permanent (F)	106	106	100%	0	00.00%
5.	Other than Permanent (G)	390	390	100%	0	00.00%
6.	Total workers (F + G)	496	496	100%	0	00.00%

#### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50 %
Key Management Personnel	3	1	33.33%

### 20. Turnover rate for permanent employees and workers

(Trends for the past 3 years)

	FY- 2021-22			FY- 2020-21			FY- 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	4.80	80.00	6.27	8.56	0.00	8.29	2.80	40.00	4.05
<b>Permanent Workers</b>	3.86	0.00	3.86	4.55	0.00	4.55	5.56	0.00	5.56

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Ostwal Phoschem (India) Limited	Holding	65.05%	No

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes, refer to Annexure IX to the Board's report

(ii) **Turnover as on March 31<sup>st</sup> 2022** (in Rs.) 49148.95 Lacs

(iii) **Net Worth as on March 31<sup>st</sup> 2022** (in Rs.) 20531.71 Lacs

## VII. Transparency and Disclosures Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY ____ Current Financial Year	FY ____ Previous Financial Year

	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during theyear	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during theyear	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes www.mbapl.com	0	0	-	0	0	-
Investors (other than shareholders)	Yes www.mbapl.com	0	0	-	0	0	-
Shareholders	Yes www.mbapl.com	0	0	-	0	0	-
Employees and workers	Yes www.mbapl.com	0	0	-	0	0	-
Customers	Yes www.mbapl.com	0	0	-	0	0	-
Value Chain Partners	Yes www.mbapl.com	0	0	-	0	0	-
Other (please specify)	Yes www.mbapl.com	0	0	-	0	0	-

## 24. Overview of the entity's material responsible business conduct issues

The Company has identifying the risks on Environment, Social and Governance (ESG) matters. The Company believes that a materiality assessment on sustainability issues will help to analyze and prioritize the issues that have the biggest impact from the Environment, Social and Governance (ESG) perspective.

S. No.	Material issue identified	whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
--------	---------------------------	-----------------------------------	--	--	--

1.	Environmental Footprint-Water management	Risk	Water scarcity can impair the company's operations and disrupt business.	Employee education around saving water, more efficient use of water in campuses, Rain water harvesting, recycling of waste water.	Negative
2.	Environmental Footprint -Waste management	Risk	Inadvertent non-compliance to existing and emerging regulations around recycling and the circular economy can result in economic penalties and reputation damage.	Reduction in waste generation, maximization of recycling and reuse.	Negative
3.	Corporate Governance - Board oversight, Conflict of Interest, Ethics, Risk and Compliance, Succession Planning	Risk	Strong corporate governance is core to achieving the organization's mission and any risks can undermine stakeholder trust, damage reputation and disrupt business.	Kindly refer to "Material aspects and company approach to them" in Corporate Governance Report	Negative

4.	Changing expectations of the workforce and work environments	Risk and Opportunity	<p><u>Opportunity</u></p> <ul style="list-style-type: none"> <li>Facilitating best-in-class employee experience and being recognized among the best employers in our key operating regions will help us attract, hire and retain the talent.</li> <li>Creating a diverse workforce to attract best-in-class talent and improve productivity</li> </ul> <p><u>Risk</u></p> <ul style="list-style-type: none"> <li>Continued employee preference to work out of remote locations on a long-term basis and our ability to grow profitably.</li> </ul>	We supported our employees to navigate the pandemic seamlessly through measures such as vaccination centers, hospital support, increased insurance coverage, and more.	Positive
5.	Safety risk	Risk and Opportunity	The manufacturing operations of the Company require employees to interact with plant, machinery, and material handling equipment, all of which carry an inherent risk of injury	Adherence to safety standards, the Company's Policy and highest operational standards for handling hazardous materials at plants.	<p>Positive: Adoption of latest and cutting edge Safety related protocols and measures to create a safe work environment</p> <p>Negative: Impact on health and well-being of employees at the Company.</p>



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	www.mbapl.com								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Guidelines & procedures have been developed in line with and covering all the 9 principles related to the respective policy								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"><li>• ISO 9001:2015</li><li>• NABL Accreditation Certificate ISO/IEC17025:2017</li></ul>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is chalked out 5 year long term planning and efforts are being under to adhere to.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Board of Directors of the Company has empowered the Stakeholders Relationship Committee to provide direction to the management and exercise oversight on the implementation of targets committed under ESG.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
“Our Company is committed to make the business truly sustainable and socially responsible.									
The Company is deeply committed to achieving ESG related objectives and continue to prioritize related agenda over the near and medium term. The Company’s focus on ESG									

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parameters is best reflected through values (Integrity   Unity   Responsibility   Pioneering   Excellence) that are imbibed in all spheres of activity of the Company. The Company has adopted the Code of Conduct which guides our interactions with all key stakeholders including our Employees, Customers, Value Chain Partners, Communities, Investors, Environment & Society. Corporate Social Responsibility is an integral part of our culture.																					
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).										The Board of Directors of the Company and Stakeholders Relationship Committee oversee the implementation of the Business Responsibility policies.											
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.										The Stakeholders' Relationship Committee (SRC) of the Board of Directors is responsible for decision making on sustainability related issues.											
										DIN			Name			Designation					
										03268623			Arvind Kothari			Chairman					
										02586806			Pankaj Ostwal			Member					
08377262			Bheru Lal Ostwal			Member															
10. Details of Review of NGRBCs by the Company:																					
Subject for Review				Whether review was undertaken by Director / Committee of the Board/ Any other Committee						Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)											
				P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action				As a practice, policies of the Company are reviewed Annually or on a need basis by the Directors of the company. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances				The Company complies with all the applicable statutory requirements.																	
11. Has the entity carried out independent assessment/ evaluation of the working of										P1	P2	P3	P4	P5	P6	P7	P8	P9			

its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The processes and compliances, however, may be subject to scrutiny by internal auditors and regulatory compliances, as applicable.
---	--

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE**

- 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness Programmes
Board of Directors	1	Business Conduct, Economy and environmental, social and governance parameters, Corporate Governance	100%
Key Managerial Personnel	3	Leadership in Governance and Risk Management, Business Responsibility Reporting, Facilitating innovation in Board Governance	100%
Employees other than BOD and KMPs	2	Health and Safety Related Issues, Human Right Issue and Corporate Governance	80%
Workers	2	Health and Safety Related Issues and Human Right Issue	80%

- 2. Details of fines/ penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

None

- 3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

None

- 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. Our Code of Conduct contains guidelines on anti-bribery and anti-corruption.

Company is committed to upholding the highest moral and ethical standards, and does not tolerate bribery or corruption in any form.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against directors / KMP / employees / workers that have been brought to our attention

**6. Details of complaints with regard to conflict of interest:**

None

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

None

## PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2021-22	FY 2020-21	Details of improvement in Environmental and Social impacts
R&D	0	0	-
Capex	0	0	-

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, The Company considers the social, ethical and environmental performance factors in the process of selecting suppliers.

- b. If yes, what percentage of inputs were sourced sustainably?**

60% of suppliers are covered in the responsible sourcing program.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company has adopted best practices to manage waste in an eco-friendly manner.

To achieve these objectives, the Company has implemented "Reduce, Reuse, Recycle" concept for effective waste management. The Company endeavours to sustainably use and recycled resources and create a circular economy where possible.

This ensures the efficacy of wastewater management and ensures that the systems are running properly.

### **Plastic Waste Management**

The Company has set up a system to collect plastic waste in order to meet its obligation of collecting the plastic waste like torn HDPE bags & Metal scrap generated due to its products. The plastic waste is collected, segregated, and disposed off as per CPCB and MoEF Guide lines.

### **Hazardous waste**

Hazardous waste is handled as per the regulations prescribed by the national and state



pollution control boards. Some of the initiatives to reprocess and re-use waste include re-processing the materials generated in the granulation of fertilizers as well as the sludge waste from raw materials.

### **Water Waste Management**

Company have Implementing zero liquid discharge policy to enhance water efficiency of products and promoting water efficient crop management practices among farmers, all wastewater generated in the process is recovered, treated and reused in process.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to the Company and we are in process to comply Extended Producer Responsibility. However, as a leading manufacturer it is a business imperative that the Company ensures safe disposal of the pre-consumer and post-consumer packaging. The Company has been ensuring the collection and safe disposal of its packaging waste through the waste minimization and recycling/reuse perspective.

## PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

### 1. a. Details of measures for the well-being of employees:

% of employees covered by									
Category	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Day facilities	Care
		Number (b)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)
Permanent employees									
Male	147	47	31.97	147	100	-	-	-	-
Female	2	1	50.00	2	100	-	-	-	-
Total	149	48	32.21	149	100	-	-	-	-
Other than Permanent employees									
Male	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

### b. Details of measures for the well-being of workers:

% of employees covered by											
Cat egor y	Tot al (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity facilities		Day facilities	Care
		Num ber (b)	%(B/A )	Nu mbe r(C)	%(C/ A)	Numb er (D)	%(D/ A)	Numb er (E)	%(E/ A)	Numb er (F)	%(F /A)
Permanent Workers											
Mal e	106	51	48.11%	106	100%	-	-	-	-	-	-
Fem ale	-	-	-	-	-	-	-	-	-	-	-
Tota l	106	51	48.11%	106	100%	-	-	-	-	-	-
Other Than Permanent Workers											
Mal e	-	-	-	-	-	-	-	-	-	-	-
Fem ale	-	-	-	-	-	-	-	-	-	-	-
Tota l	-	-	-	-	-	-	-	-	-	-	-

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	Current FY			Previous FY		
	No. of employees Covered as %of total employees	No. of workers Covered as %of total employees	Deducted and deposited with the authority	No. of employees Covered as %of total employees	No. of workers Covered as %of total employees	Deducted and deposited with the authority
PF	85.91%	91.51%	Y	94.39%	35%	Y
GRAT.	81.88%	91.51%	Y	65.42%	95%	Y
ESI	32.21%	48.11%	Y	47.66%	62%	Y
OTHER	-	-	-	-	-	-

## 3. Accessibility of workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is in process of making all the required premises/ offices are accessible to differently abled employees and workers.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is governed by the code of conduct of the company whereby all the employees and those eligible are provided with equal opportunities. The Company is committed by an inclusive work culture without any discrimination on the grounds of race, caste, religion, colour, marital status, gender, sex, age, nationality, ethnic origin, disability and such other grounds as prescribed and protected by the applicable laws.

The code of conduct can be accessed at: <https://www.mbapl.com>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Permanent Worker	The Company has always believed in open and transparent communication. Employees are encouraged to share their concerns with their HODs, HR or the members of the Senior Leadership Team. In addition, new employees are sensitised on Code of Conduct principles, which also forms part of the employee induction programme. The Company have put Complaint Box at every plant locations and office and maintain Complaint Register to redress grievances of employees and workers. The company has in place prevention of sexual harassment at the workplace policy and Whistle blower policy applicable to all employees.
Other than Permanent Worker	
Permanent Employees	
Other than Permanent Employees	

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

The Company does not have any employee associations. The Company, however, recognizes the right to freedom of association.

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	Current FY			Previous FY		
	Total employees /workers in respective category(A)	No. of employees / Workers in respective category, who are part of association(s) or Union(B)	% (B/A)	Total employees / workers in respective category(C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	-	-	-	-	-	-
<b>Male</b>	-	-	-	-	-	-
<b>Female</b>	-	-	-	-	-	-
<b>Total Permanent Workers</b>	-	-	-	-	-	-
<b>Male</b>	-	-	-	-	-	-
<b>Female</b>	-	-	-	-	-	-

### 8. Details of training given to employees and workers:

The Company provides regular trainings on Health & Safety to all its employees. The Company aims to provide highest quality training and minimizing workplace accidents, without focusing upon the number of hours spent in the training.

Category	FY 2021-22					FY 2020-21				
	Total (A)	On health and safety measures		On skills upgradation		Total (D)	On health and safety measures		On skills upgradation	
		No. (B)	%B/A	No. (C)	%C/A		No. (E)	%E/D	No. (F)	%F/D
<b>Employees</b>										
<b>Male</b>	147	88	60%	88	60%	104	73	70%	73	70%
<b>Female</b>	2	2	100%	2	100%	3	3	100%	3	100%
<b>Total</b>	<b>149</b>	<b>90</b>	<b>60%</b>	<b>90</b>	<b>60%</b>	<b>107</b>	<b>76</b>	<b>71%</b>	<b>76</b>	<b>71%</b>
<b>Workers</b>										
<b>Male</b>	106	74	70%	74	70%	97	58	60%	58	60%
<b>Female</b>	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
<b>Total</b>	<b>106</b>	<b>74</b>	<b>70%</b>	<b>74</b>	<b>70%</b>	<b>97</b>	<b>58</b>	<b>60%</b>	<b>58</b>	<b>60%</b>

**9. Details of Performance and career development reviews of employees and workers 100% of eligible employees have received performance and career development reviews.**

Category	FY 2021-2022			FY 2020-2021		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
<b>Employee</b>						
<b>Male</b>	147	147	100%	104	104	100%
<b>Female</b>	2	2	100%	3	3	100%
<b>Total</b>	<b>149</b>	<b>149</b>	<b>100%</b>	<b>107</b>	<b>107</b>	<b>100%</b>
<b>Workers</b>						
<b>Male</b>	106	106	100%	97	97	100%
<b>Female</b>	0	0	0	0	0	0
<b>Total</b>	<b>106</b>	<b>106</b>	<b>100%</b>	<b>97</b>	<b>97</b>	<b>100%</b>

All employees of the Company undergo an appraisal process as determined by the Company. The appraisal process is based on criteria on the basis of timely and systematic working, accountability, additional contribution to work, contribution to the overall performance of the Company.

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes, safety is a core value over which no business objective can have a higher priority. The Safety & Health Management system covers activities across all manufacturing locations, offices and supply chain partners and ensures the protection of environment, health & safety of its employees, contractors, visitors and all other relevant stakeholders.

The Company has also adopted Environment, Health & Safety Policy which can be accessed on its website at: <https://www.mbapl.com>

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company provides Regular site review, inspections and audits to assess safety preparedness, Regular mock drills for fire as well as medical emergencies. Employee engagement campaigns on health & safety topics such as fire safety, road safety, emergency evacuation to managing the hazards and identifying its risks.

**c. Whether you have processes for workers to report the work related hazards and to remove**

**themselves from such risks. (Y/N)**

Yes. The process is available at all the locations. The processes include direct interaction with safety officer, suggestion box, approaching the Health and Safety Team, Regular site review, inspections and audits to assess safety preparedness, Regular mock drills for fire as well as medical emergencies. Employee engagement campaigns on health & safety topics such as fire safety, road safety, emergency evacuation.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. All employees are covered under the Group Personal Accident Policy.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company has in place a mechanism for identification of fire hazards, preparation of action plan for control system and plans to mitigate or eliminate hazards.

Some of the mitigation measures to prevent or mitigate significant occupational health & safety impacts include –

- Provision and maintenance of fire detection, alarm and suppression systems.
- Provisions of adequate Ventilations, Lighting, Machine Guards and Exhaust Systems at workplace;
- Provisions of Drinking Water, Rest Rooms and establishment of First Aid Centre;
- Awareness created through display of signage, precautionary boards and trainings on Fire, Safety, Health & First Aid.
- Regular site review, inspections and audits to assess safety preparedness.
- Regular mock drills for fire as well as medical emergencies.
- Employee engagement campaigns on health & safety topics such as fire safety, road safety, emergency evacuation.

**13. Number of Complaints on the following made by employees and workers:**



	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during theyear	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

## 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of plants and offices were assessed by entity through internal audits.
Working Conditions	

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

The following corrective action taken or underway to address safety-related incidents:

- Organized Safety training programs to create the awareness on safety;
- Employees have been advised to wear the PPE's in the workplace;
- Work instructions & Safe Work Practices were made & readily available.

## PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals that adds value to the business of the Company or who are impacted by us are identified as a core stakeholder of the Company.

The Company has identified suppliers, customers, employees, local community and investors as its key stakeholders.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

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<b>Stakeholder Group</b>	<b>Whether Identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement Community Meetings, Notice Board) Other</b>	<b>Frequency of Engagement (Annually/Half Yearly/Quarterly /Others-Please Specify)</b>	<b>Purpose and Scope Of Engagement Including Key topics And concerns raised during such engagement</b>
Customers	No	Website, social media, Conferences events, Phone calls, emails.	As and when required	Understanding client, Customer satisfaction, industry and business challenges
Investors/ Shareholders	No	Email, Website, Analysts/ Investor Calls, Annual General Meetings, releases Newspaper advertisements	Quarterly and need based	To inform on how the company is currently doing and what it plans to do in near term future. Understanding shareholder expectations
Employees	No	Direct, email, team meetings, video conferences; audio conference calls	Regular	Performance appraisal, Career growth, Skill development trainings, Fair remuneration, safe workplace, employee satisfaction.
Suppliers	No	Email, Phone calls, Advertisements, website and social media	As and when required	Business/ Project related
Governments & Regulatory Authorities	No	Advertisements, website and social media, Phone calls, emails and meetings	As and when required	Discussions with regard to various regulations, amendments, inspections, approvals and assessments.

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Communitie s	No	Meetings, Training and workshops Advertisements, website and social media, Complaints and grievance mechanism	As and when required	Monitoring implementing CSR projects and activities & the
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## PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. employee's workers covered (B)	% (B / A)	Total (C)	No. employee's workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	149	104	70 %	107	64	60 %
Other permanent than	0	0	0%	0	0	0%
<b>Total Employees</b>	<b>149</b>	<b>104</b>	<b>70 %</b>	<b>107</b>	<b>64</b>	<b>60 %</b>
<b>Workers</b>						
Permanent	106	69	65 %	97	63	65 %
Other permanent than	390	250	64 %	0	0	0 %
<b>Total Workers</b>	<b>496</b>	<b>319</b>	<b>64 %</b>	<b>97</b>	<b>63</b>	<b>65 %</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY (2021-22)					PY (2020-21)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F /D)
Employees										
Permanent										
Male	147	21	14%	126	86%	104	11	11%	93	89%
Female	2	1	50%	1	50%	3	2	67%	1	33%
Other	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	106	24	23%	82	77%	97	23	24%	74	76%

Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

### 3. Details of remuneration/salary/wages, in the following format

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	7	0	1	0
Key Managerial Personnel	2	87897	1	30367
Employees other than BOD and KMP	145	26274	1	11127
Workers	106	19670	0	0

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Human rights is a sensitive issue and Company has zero tolerance to Human Rights violation. Human Rights is one of the Key Focus area for the Organisation. For any Human Rights violation, whenever reported, the employees can raise their concerns related to human rights issues with the HR team.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

For any grievances on human rights issues, the employees can reach out to Human Resources team. The grievances are duly addressed and corrective measures deemed fit are taken.

## 6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human Rights related issues	-	-	-	-	-	-

## 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has in place an appropriate Policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to prevent sexual harassment of its employees. The company is intolerant to any discrimination and harassment related issues and takes timely measures to address the grievance. We sensitize the employees on prevention of sexual harassment at workplaces through internal communications and training programmes.

## 8. Do human rights requirements form part of your business agreements and contracts?

Yes, the business agreements and contracts do include Company's expectations to promote sustainability, fair competition and respect for human rights.

## 9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100 % Our Company internally monitors compliance for all relevant laws and policies pertaining to these issues. There have been no observations
Forced/involuntary labour	
Sexual harassment	

Discrimination at workplace	by local statutory / third parties in India in FY 2022.
Wages	
Others	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There were no significant risks or concerns.



## PRINCIPLE 6: BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

*(in GIGA Joules)*

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total electricity consumption (A)	75199.71	34247.12
Total fuel consumption (B)	126044.95	62844.80
Energy consumption through other sources (C)	0.00	0.00
<b>Total energy consumption (A+B+C)</b>	<b>201244.66</b>	<b>97091.92</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in Lakhs)	4.0946	5.2280
Energy intensity (optional) - Per Unit of Production Volume	0.4659	0.3086

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22	FY 2020-21
<b>Water withdrawal by source (in kilolitres)</b>		

(i) Surface water	193078.16	11988.75
(ii) Groundwater	190488.10	226346.50
(iii) Third party water	0.00	0.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	383566.26	238335.25
<b>Total volume of water consumption (in kilolitres)</b>	383566.26	238335.25
<b>Water intensity per rupee of turnover</b> ( <i>Water consumed / turnover</i> )	7.8042	4.8492
<b>Water intensity (optional)</b> - Per unit of production volume	0.8880	0.7575

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, Company has achieved zero liquid discharge across all the campuses. Madhya Bharat Agro Products Limited optimizes water consumption through conservation, sewage treatment and reuse, and rainwater harvesting. All new campuses have been designed for 100% treatment and recycling of sewage, and rainwater harvesting.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

(in MT)

<i>Parameter</i>	<i>Please specify unit</i>	<i>FY 2021-22</i>	<i>FY 2020-21</i>
NO <sub>x</sub>	-	-	-
SO <sub>x</sub>	-	-	-
Particulate matter (PM)	mg/NM <sup>3</sup>	9.25 MT	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others - please Specify HF	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

<i>Parameter</i>	<i>Unit</i>	<i>FY 2021-22</i>	<i>FY 2020-21</i>
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	18426.29	10173.39
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	0	0

## MADHYA BHARAT AGRO PRODUCTS LIMITED

<b>Total Scope 1 and Scope 2 emissions - Per rupee of turnover</b>		<b>0.3749</b>	<b>0.5478</b>
<b>Total Scope 1 and Scope 2 emission intensity - Per unit of Production volume(in MT)</b>		<b>0.0427</b>	<b>0.0323</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No, Company do not have any project related to reducing Green House Gas emission but company is actively endeavouring to reduce of GHG emissions across its operations through plantations at each location contribute to reduce the GHG emissions.

**8. Provide details related to waste management by the entity, in the following format:  
(in metric tonnes)**

<i>Parameter</i>	<i>FY 2021-22</i>	<i>FY 2020-21</i>
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous wastegenerated (H).		
- Sulphur Sludge	19.27	0.00
- Silica - Solid Waste	30923.46	25666.12
- Gypsum	54499.89	1628.17
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>85442.62</b>	<b>27294.29</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	173.58	157.48
(ii) Re-used	19.27	0.00
(iii) Other recovery operations	0.00	0.00

<b>Total</b>	<b>192.85</b>	<b>157.48</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	33404.25	-
(iii) Other disposal operations	20930.88	1013.55
<b>Total</b>	<b>54335.13</b>	<b>1013.55</b>

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our waste management approach is based on the philosophy of Reduce, Reuse and Recycle. Generated hazardous waste collected and stored in bag in covered shed. Disposal of the same is being done as per prescribed norms.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable. The Company does not have any facilities in and around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of the project	EIA Notification no.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant web link
NA	NA	NA	NA	NA	NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not,

**provide details of all such non-compliances, in the following format:**

Yes. We are compliant with the applicable environmental law / regulations / guidelines in India.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.**

### Essential Indicators

**1. a. Number of affiliations with trade and industry chambers/associations.**

The Company has taken membership with 1 (one) trade and industry chambers/ associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Fertilizer Association of India	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable.

**PRINCIPLE 8: BUSINESS SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT:**

### Essential Indicators

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of the project	SIA Notification no.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant web link
NA	NA	NA	NA	NA	NA

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not Applicable



### 3. Describe the mechanisms to receive and redress grievances of the community.

The Company has internal grievance redressal mechanism in place to address the grievance raised by the stakeholders. The Board reviews the status of the grievance raised, pending, disposed.

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	0.01%	2.57%
Sourced directly from within the district and neighbouring districts	35% input material of the company directly sourced from within the district and neighbouring districts to the extent possible.	37.5 % input material of the company directly sourced from within the district and neighbouring districts to the extent possible.

## PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS IN A RESPONSIBLE MANNER.

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has Customer Care number, Email, Website to enable customers to log any complaints or feedbacks. Customer can also provide feedback through Social Media.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a Percentage to total turnover
Environmental and Social Parameters relevant to the product (Energy Used, Water Consumed, No. of People involved in production, etc.)	0
Safe and Responsible Usage	100
Recycling and/or safe disposal	100

#### 3. Number of consumer complaints in respect of the following:

	FY 2021-22			FY 2020-21		
	Received	Pending	Remarks	Received	Pending	Remarks

	during the year	resolution at end of year		during the year	resolution at end of year	
Data privacy	We do not have any consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, unfair trade practices.					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

**4. Details of instances of product recalls on account of safety issues:**

There have been no instances of product recall (voluntary or forced) on account of safety issues during the financial year 2021-22.

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. The Company has under the Code of Conduct, included the Cyber security, including data and information security which includes the Cyber Security Risk. The Code of Conduct is available on [www.mbapl.com](http://www.mbapl.com)

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

None

For and on behalf of the Board of Directors

Place Bhilwara

Sd/-  
(Pankaj Ostwal)  
**Managing Director**

Sd/-  
(Sourabh Gupta)  
**Whole Time Director  
&  
Chief Financial Officer**

Date 30.05.2022

DIN 02586806

DIN 07177647

**ANNEXURE II**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 2021-2022**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014]*

To,  
The Members,  
Madhya Bharat Agro Products Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Madhya Bharat Agro Products Limited**. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Madhya Bharat Agro Products Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Madhya Bharat Agro Products Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not Applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the Audit Period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and (Not Applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period);

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Sourabh Bapna & Associates  
Practicing Company Secretary

Sd/-  
(Sourabh Bapna)  
Proprietor  
C.P. No. 19968  
M. No. A51505

UDIN:- A051505D000459814

Date: 30.05.2022  
Place: Bhilwara

## ANNEXURE 'III'

### PARTICULARS OF EMPLOYEES

Details Pertaining to Remuneration as Required Under Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	1. Mr. Pankaj Ostwal: 55.35 2. Mr. Sourabh Gupta: 4.10
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	1. Pankaj Ostwal (Managing Director): 46.93% 2. Sourabh Gupta (Whole Time Director & Chief Financial Officer): 26.42%
(iii) The percentage Increase in the median remuneration of employees in the financial year	In the Financial Year, there was an Increase of 35.32 % in the median remuneration of Employees.
(iv) The number of permanent employees on the rolls of company.	293 Employee
(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration of employees other than the Managerial Personnel: 87.26%  Average increase in remuneration of Managerial Personnel: 24.19%
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	The company affirmed that the remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

### **Details of the employees of the Company - Pursuant to Section 197 (Rule 5) of the Companies Act, 2013.**

- (i) Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:

Name & Age	Designation	Remuneration p.a. (Rs. in Crore)	Qualifications and experience	Date of commencement of employment and nature of employment	Last employment held by employee before joining	Number of equity share held	Relation with Director or Manager
Pankaj Ostwal 44 Years	Managing Director	1.44	C.A., B.Com. 22 Years	24/02/2009	N.A.	201015	Brother of Praveen Ostwal, Director and Son of Sh. Mahendra Kumar Ostwal, Chairman cum Director

- (ii) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month: NA
- (iii) Employed throughout the financial year or part thereof receiving remuneration in excess of the amount drawn by Managing Director or whole-time director or manager: NA

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

Date 30.05.2022  
Place Bhilwara (Raj)

Sd/-  
(Pankaj Ostwal)  
**Managing Director**

Sd/-  
(Sourabh Gupta)  
**Whole Time Director**  
&  
**Chief Financial Officer**  
DIN 07177647

DIN 02586806



## **ANNEXURE IV**

### **DETAIL OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8 of (Companies (Account) Rule, 2014) and forming part of the Director's Report for the year ended 31<sup>st</sup> March 2022.

#### **CONSERVATION OF ENERGY**

(a) The Company takes adequate steps for the conservation of energy at every stage of production and remains conscious about conserving energy resources.

(b) The Company has made adequate investment on various measures for conservation of energy which has resulted in optimizing energy consumption and saving in cost.

(c) The capital investment on energy conservation equipment: Approx. Rs. 1.38 Crore

#### **TECHNOLOGY ABSORPTION**

##### **(i) Efforts made towards technology absorption:**

The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has strengthened the infrastructure for R & D and carried out improvement in quality systems. This has resulted into consistency in achieving standard quality parameters as per Government of India. The Company will continue to thrust on R & D activities of the Company.

##### **(ii) The benefits derived therefrom:**

The Company could successfully reduce the cost of production, by using the in house developed alternative raw materials, power consumption and improving technical efficiencies and productivity.

##### **(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -**

(a) The details of technology imported; None

(b) The year of import; None

(c) Whether the technology been fully absorbed; None

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; None

# *MADHYA BHARAT AGRO PRODUCTS LIMITED*

## FOREIGN EXCHANGE EARNINGS AND OUTGO

The figure of earnings and expenditure in foreign currency during the year is as under:

(Rs. in Lakhs)

Particulars	2021-2022	2020-2021
Foreign Currency Earning	-	-
Foreign Currency outgo	5303.54	528.66

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

Sd/-

Sd/-

Date 30.05.2022

Place Bhilwara (Raj)

(Pankaj Ostwal)  
**Managing Director**

**DIN 02586806**

(Sourabh Gupta)  
**Whole Time Director**  
&  
**Chief Financial Officer**  
**DIN 07177647**

**ANNEXURE V**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

*(Pursuant to clause (g) of sub-section (3) of section 134 & section 186(4) of the Companies Act, 2013)*

S. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(A)	<b>Loan Given</b>	NIL	NIL
(B)	<b>Investment made</b>	NIL	NIL
(C)	<b>Guarantee given</b>	NIL	NIL

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

Date 30.05.2022  
Place Bhilwara (Raj)

Sd/-  
(Pankaj Ostwal)  
**Managing Director**

DIN 02586806

Sd/-  
(Sourabh Gupta)  
**Whole Time Director  
&  
Chief Financial Officer**  
DIN 07177647

**ANNEXURE VI**

**FORM NO. - AOC- 2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis –N.A.
2. Details of material contracts or arrangement or transactions at arm's length basis: -

Name(s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount (In Lakh)
<b>Purchases of Material</b>				
Krishana Phoschem Ltd	Interested Director	<b>FY 21-22</b>	See note-1	7472.62
Ostwal Phoschem India Limited	Holding Company	<b>FY 21-22</b>	See note-1	2394.83
Seasons International Private limited	enterprises over which exercise significant influence	<b>FY 21-22</b>	See note-1	347.51
<b>Sale of Material</b>				
Krishana Phoschem Ltd	Interested Director	<b>FY 21-22</b>	See note-1	3105.12
Ostwal Phoschem (India) Limited	Holding Company	<b>FY 21-22</b>	See note-1	992.68
Shri Ganpati Fertilizer Limited	Interested Director	<b>FY 21-22</b>	See note-1	961.20
<b>Rent Paid</b>				
Ostwal Phoschem India Limited	Holding Company	<b>FY 21-22</b>	See note-1	0.12
<b>Loan Taken</b>				
Krishana Phoschem Limited	Interested Director	<b>FY 21-22</b>	See note-1	605.00
Ostwal Phoschem India Limited	Holding Company	<b>FY 21-22</b>	See note-1	3443.00
Seasons International Private Limited	enterprises over which exercise significant influence	<b>FY 21-22</b>	See note-1	150.00

<b>Interest Paid</b>				
Krishana Phoschem Limited	Interested Director	<b>FY 21-22</b>	See note-1	95.14
Ostwal Phoschem India Limited	Holding Company	<b>FY 21-22</b>	See note-1	42.64
Seasons International Private Limited	enterprises over which exercise significant influence	<b>FY 21-22</b>	See note-1	0.77

**Note:**

1. Terms of the contract conform to the prevailing market rates and all the care has been taken to ensure reasonability of prices compare to the prevailing rates in the market, better quality products and timely supply.
2. Appropriate approvals have been taken for related party transactions.
3. Advance paid have been adjusted against billing, wherever applicable.

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

Place Bhilwara (Raj)

Date 30.05.2022

Sd/-  
(Pankaj Ostwal)  
**Managing Director**

DIN 02586806

Sd/-  
(Sourabh Gupta)  
**Whole Time Director**  
&  
**Chief Financial Officer**  
DIN 07177647

## ANNEXURE VII

### CORPORATE GOVERNANCE REPORT 2021-22

#### **1. Corporate Governance Philosophy on Code of Corporate Governance**

Corporate Governance has been an integral part of the way we are doing our business. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long-term success. The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders' value while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong corporate governance values intrinsic to all its operations. The Company is led by Board, which includes independent directors. The Board provides strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs. In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of compliances, are as follows:-

#### **2. Board of Directors**

##### **Composition of the Board**

As on March 31, 2022, the Company's Board comprised of 8 (Eight) Directors viz., 3(Three) Independent Non-Executive Directors, 1 (One) Women Independent Non-Executive Directors, 1 (One) Promoter and Managing Director, 1 (One) Whole time Director & CFO, and 2 (Two) Promoter and Non-Executive Director. The Chairman of the Board is also Promoter Non - Executive Director.

**Details of Board of Director's category, attendance at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee positions as on 31<sup>st</sup> March, 2022 are given below:**

Sr. No.	Name of the Director	Category/ Status of Directorship	No. of Board Meetings during year	No. of Board Meetings attended	Whether Attended AGM	No. of Directorships in other Public Limited Companies	No. of Committee positions held in Public Limited Companies		No. of Equity Shares held in the Company
							Chairman	Member	

## MADHYA BHARAT AGRO PRODUCTS LIMITED

1	Pankaj Ostwal	Managing Director	11	11	Yes	1. Ostwal Phoschem (India) Limited (Non-Executive Director) 2. Krishana Phoschem Limited (Non-Executive Director) 3. Shri Ganpati Fertilizers Limited (Executive Director)	-	3	201015
2	Sourabh Gupta	Whole Time Director and Chief Financial Officer	11	11	Yes	-	-	-	-
3	Praveen Ostwal	Non-Executive Director	11	11	Yes	1. Ostwal Phoschem (India) Limited (Non-Executive Director) 2. Krishana Phoschem Limited (Managing Director)	-	2	332700
4	Mahendra Kumar Ostwal	Chairman cum Non-Executive Director	11	11	Yes	1. Ostwal Phoschem (India) Limited (Managing Director) 2. Krishana Phoschem Limited (Non-Executive Director)	-	1	8500
5	Arvind Kothari	Non-Executive Independent Director	11	11	Yes	-	2	3	12000
6	Paras Mal Surana	Non-Executive Independent Director	11	11	Yes	-	-	2	-
7	Shruti Babel	Woman Non-Executive Independent	11	11	Yes	-	-	-	50



		Director							
8	Bheru Lal Ostwal	Independent Non-Executive Director	11	11	No	1. Ostwal Phoschem (India) Limited (Non-Executive Independent Director) 2. Krishana Phoschem Limited (Non-Executive Independent Director)	2	3	51450

### Number of Board Meetings

The Board of Directors duly met 11 (Eleven) times on 29<sup>th</sup> April 2021, 10<sup>th</sup> June 2021, 15<sup>th</sup> June 2021, 29<sup>th</sup> July 2021, 07<sup>th</sup> August 2021, 27<sup>th</sup> August 2021, 9<sup>th</sup> November 2021, 22<sup>nd</sup> November 2021, 01<sup>st</sup> December 2021, 04<sup>th</sup> February 2022 and 28<sup>th</sup> March 2022. The maximum time gap between any two consecutive board meetings was less than 120 days.

### Disclosure of relationships between directors inter-se

Sh. Pankaj Ostwal, Managing Director on the Board of Directors is the Brother of Sh. Praveen Ostwal, Non-Executive Director. Sh. Pankaj Ostwal, Managing Director and Sh. Praveen Ostwal, Non-Executive Director are the Son of Sh. Mahendra Kumar Ostwal, Chairman cum Non-Executive Director in the Company.

### Number of shares and convertible instruments held by non- executive directors

Sh. Praveen Ostwal, who holds 332700 Equity Shares, Sh. Mahendra Kumar Ostwal who holds 8500 Equity Shares, Sh. Bheru Lal Ostwal who holds 51450 Equity Shares, Sh. Arvind Kothari who holds 12000 Equity Shares and Smt. Shurti Babel holds 50 Equity Shares in the Company.

### Web link where details of familiarization programmes imparted to Independent Directors is disclosed:

All Independent Directors are familiarized with the Company and their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The details regarding Independent Directors' Familiarization Programmes are given on the website of the Company and can be accessed at <http://mbapl.com/pdf/Familizaration-Programmes-for-Independent-Directors.pdf>.

### Separate Meeting of the Independent Directors

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 04<sup>th</sup> February, 2022, at the Registered Office of the Company at 5-O-

21, Basement, R.C. Vyas Colony, Bhilwara 311001, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- a) Review of performance of Non-Independent Directors and the Board as a whole.
- b) Review of performance of the Chairperson of the Company.
- c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**List of skills/expertise/competencies required to function the business effectively:**

The following list of core skills/ expertise/ competencies are identified by the Board of Directors as required in the context of Business(es) and sector(s) for it to function effectively and those actually available with the Board of Directors.

**Qualification & Knowledge:** Directors should be financially literate and have a sound understanding of business strategy, corporate governance and board operations.

**Integrity and Judgment:** Directors should have the highest level of integrity, ethical character and the ability to exercise sound business judgment on a broad range of issues consistent with the Company's values.

**Experience and Accomplishments:** Directors should have significant experience and proven Superior performance in professional endeavors whether this experience is in business, government, and academic or with non-profit organizations.

**Independence:** Directors who are not current or former management should meet the spirit as well as the letter of the applicable independence standards. In addition, all Directors should be independent in their thought and judgment so that they represent the long-term interests of all shareholders of the Company.

**Diversity:** Directors should be capable of representing the multi-cultural nature of our global corporation with consideration being given to a diverse board in terms of gender and ethnic membership. In addition, the Committee shall take into account diversity in professional experience, skills and background.

**Board Interaction:** Directors should value board and team performance over individual performance, demonstrate respect for others and facilitate superior board performance. Directors should be willing and able to devote the time required to become familiar with Company's business and to be actively involved in the Board and its decision-making.

**Skills:** Directors should have expertise in one or more of the areas such as accounting and finance, technology, management, international business, compensation, legal, HR, corporate governance, strategy, industry knowledge and general business matters.

### **Confirmation pertaining to independent directors of the company:**

In the opinion of the Board of Directors of the Company, Mr. Arvind Kothari, Mr. Paras Mal Surana, Mr. Bheru Lal Ostwal, Non-Executive Independent Directors and Shruti Babel, Woman Non- Executive Independent Director are Independent from the management and complies with the criteria of Independent Director as placed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

**Reasons for the resignation of an independent director:** Not applicable

## **7. Audit Committee**

### **(a) Brief description of terms of reference:**

The terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role of the Audit Committee is to provide oversight over the accounting systems, financial reporting and internal controls of the Company.

The powers and role of the Audit Committee are as set out in the Listing Agreement and Section 177 of the Companies Act, 2013.

### **(b) Composition, Name of Members and Chairperson:**

The Audit Committee comprises 3 (Three) Directors as members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee of the Company, is given below:

<b>Sr. No</b>	<b>Name</b>	<b>Name Designation</b>	<b>Position in Committee</b>
1.	Shri Arvind Kothari	Non-Executive-Independent Director	Chairman
2.	Shri Pankaj Ostwal	Managing Director	Member
3.	Shri Bheru Lal Ostwal	Non-Executive-Independent Director	Member

### **(c) Meetings and attendance during the year:**

Four Audit Committee Meetings were held during the year ended March 31, 2022. The maximum time gap between any of the two meetings was not more than one hundred and twenty days.

The dates on which the Audit Committee meetings held are 15<sup>th</sup> June 2021, 29<sup>th</sup> July 2021, 9<sup>th</sup> November 2021, and 04<sup>th</sup> February 2022.

Details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Designation	Number of Meetings	
		Held	Attended
Arvind Kothari	Chairman	4	4
Pankaj Ostwal	Member	4	4
Bheru Lal Ostwal	Member	4	4

## 4. Nomination and Remuneration Committee

### (a) Brief description of terms of reference:

Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;

Formulation of criteria for evaluation of performance of independent directors and the board of directors;

Devising a policy on diversity of board of directors;

Whether to extend or continue the term of appointment of the independent director, on the basis of the report performance evaluation of independent directors;

Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;

Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;

Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

Decide the amount of Commission payable to the Whole time Directors;

Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc. and

To formulate and administer the Employee Stock Option Scheme.

**(b) Composition, Name of Members and Chairperson:**

The Nomination and Remuneration Committee was constituted by the Board with three Independent Directors. The Chairman of this Committee is Independent Director. The Company Secretary acts as the Secretary of the Committee.

The Nomination and Remuneration Committee of the Company as under: -

Sr. No.	Name	Designation	Position in Committee
1.	Bheru Lal Ostwal	Non-Executive-Independent Director	Chairman
2.	Arvind Kothari	Non-Executive-Independent Director	Member
3.	Paras Mal Surana	Non-Executive-Independent Director	Member

**(c) Meetings and attendance during the year:**

During the year, 2 Committee Meetings were held on 29<sup>th</sup> April 2021 and 27<sup>th</sup> August 2021.

Details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Designation	Number of Meetings	
		Held	Attended
Bheru Lal Ostwal	Chairman	2	2
Arvind Kothari	Member	2	2
Paras Mal Surana	Member	2	2

**(d) Performance evaluation criteria for Independent Directors:**

The Nomination and Remuneration Committee of the Board laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

## 5. Remuneration of director

**(a) All pecuniary relationship or transactions of the non-executive director's visà- vis Company:** None

**(b) Criteria of making payments to Non-Executive Directors:**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company [www.mbapl.com](http://www.mbapl.com) in the 'Investor Handbook' section in 'Investor Relation'.

## **6. Stakeholders' Relationship Committee**

**Composition, Name of Members and Chairperson:**

The Stakeholder Relationship Committee was constituted by the Board with two Independent Directors and one executive Director. The Chairman of this Committee is Independent Director. During the year the 4 Stakeholder Relationship Committee Meetings were held on 15<sup>th</sup> June 2021, 29<sup>th</sup> July 2021, 09<sup>th</sup> November 2021 and 04<sup>th</sup> February 2022. The Company Secretary acts as the Secretary of the Committee.

The constituted Stakeholders Relationship Committee comprises the following:

Sr. No.	Name	Designation	Position in Committee
1.	Arvind Kothari	Non-Executive-Independent Director	Chairman
2.	Pankaj Ostwal	Managing director	Member
3.	Bheru Lal Ostwal	Non-Executive-Independent Director	Member

**(a) Name of Non-Executive Director heading the Committee:**

Shri Arvind Kothari, Non-Executive Independent Director was appointed as the Chairman of the Stakeholders Relationship / Grievance Redressal Committee.

**(b) Name and designation of Compliance officer:** Ms. Pallavi Sukhwai, Company Secretary

**(c) A Summary of complaints received and resolved by the Company during the period under review is given below:**

No. of Investor Complaints received	No. of Investor Complaints disposed	No. of Investor Complaints those remaining unresolved
0	0	0

## **7. Corporate Social Responsibility Committee**

In compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a Corporate Social Responsibility Committee. The composition of the Corporate Social Responsibility (CSR) Committee as at March 31, 2022 is as under:

Name of the Director	Designation	Nature of Directorship
Arvind Kothari	Chairman	Non-Executive Independent Director
Paras Mal Surana	Member	Non-Executive Independent Director
Bheru Lal Ostwal	Member	Non-Executive-Independent Director

## 8. General Body Meetings

### Annual General Meeting ("AGM"):

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
24 <sup>th</sup>	March 31, 2021	Meeting conducted through two-way Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") pursuant to the MCA Circular	27 <sup>th</sup> September 2021	12:30 P.M.
23 <sup>rd</sup>	March 31, 2020	Meeting conducted through two-way Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") pursuant to the MCA Circular	25 <sup>th</sup> September 2020	11:30 A.M.
22 <sup>nd</sup>	March 31, 2019	Hotel Kanchi Resorts, Pur Road, Bhilwara (Raj) 311001	26 <sup>th</sup> September 2019	04:00 P.M.

### Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2022.

### Special Resolutions passed in previous three Annual General Meetings

Following Special resolutions were passed by the Company during the last three Annual General Meetings (AGM) of the Company:

Date	Particulars
27 <sup>th</sup> September 2021	<ol style="list-style-type: none"> <li>To consider and if thought fit, to pass, with or without modification, to approve and Re appointment of Mr. Sourabh Gupta as Whole Time Director cum Chief Financial Officer.</li> <li>To consider and if thought fit, to pass, with or without modification, to approve and increase the overall managerial remuneration limit.</li> <li>To consider and if thought fit, to pass, with or without</li> </ol>



	<p>modification, to approve and revision of remuneration of Mr. Pankaj Ostwal as Managing Director of the Company.</p> <p>4. To consider and if thought fit, to pass, with or without modification, to approve and Payment of salary or Commission to Non-Executive Directors of the Company</p>
26 <sup>th</sup> September, 2020	1. No Special Resolutions were passed
26 <sup>th</sup> September, 2019	<p>1. To consider and if thought fit, to pass, with or without modification, to appoint Sh. Mahendra Kumar Ostwal as a Non-Executive Director.</p> <p>2. To consider and if thought fit, to pass, with or without modification, to appoint Sh. Bheru Lal Ostwal as a Non-Executive Independent Director.</p> <p>3. To consider and, if thought fit, to pass, with or without modification(s), to re-appoint Mr. Arvind Kothari as an Independent Director of the Company for the second term of five (5) consecutive years</p> <p>4. To consider and, if thought fit, to pass, with or without modification(s), to appoint Mr. Paras Mal Surana as an Independent Director of the Company for the five (5) consecutive years</p> <p>5. To consider and, if thought fit, to pass, with or without modification(s), to Increase in Borrowing Powers of the Company.</p> <p>6. To consider and, if thought fit, to pass, with or without modification(s), to Creation of Charge on Movable and Immovable properties of the Company, both present and future.</p>

### **Resolution proposed to be passed through Postal Ballot**

None of Business proposed to be transacted in the ensuring Annual General Meeting required the passing of a resolution by way of postal ballot.

## **9. Means of Communication**

- 1). The unaudited quarterly results are announced within forty-five days from the close of the quarter and the Audited results are announced within sixty days from the close of the financial year. The financial results are immediately sent to the Stock Exchanges and also uploaded on the website of the Company -**www.mbapl.com**.
- 2). The Company has normally published in two newspapers viz. The Financial Express (English Edition) and Nafa Nuksan (Hindi Edition).
- 3). The Company's website, **www.mbapl.com** provides comprehensive information to the Shareholders.

4). The Company has display the news release and Investor Presentations on Company's website, [www.mbapl.com](http://www.mbapl.com)

## 10. General Shareholders Information

Sr. No.	Salient Items of Interest	Particulars
1.	<b>Annual General Meeting</b> Date and Day Time Venue/Mode	On Monday, September 26, 2022. 03.30 PM Meeting conducted through Video Conference ("VC")/Other Audio-Visual Means ("OAVM")
2.	<b>Financial Year</b>	April 1 <sup>st</sup> 2021 to March 31 <sup>st</sup> , 2022
3.	<b>Dividend Payment Date</b>	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting
4.	<b>Listing on Stock Exchanges</b>	The Company's equity shares are listed on National Stock Exchange (NSE). The listing fee for the same has been paid.
5.	<b>Symbol</b>	MBAPL ISIN : INE900L01010
6.	<b>Market Price Data: High, Low during each month in Last Financial Year</b>	
	<b>Month</b>	<b>High</b>
	<b>Apr-2021</b>	100.80
	<b>May-2021</b>	88.00
	<b>June- 2021</b>	129.00
	<b>July-2021</b>	158.95
	<b>Aug-2021</b>	206.75
	<b>Sep-2021</b>	227.40
	<b>Oct-2021</b>	205.95
	<b>Nov- 2021</b>	185.00
	<b>Dec-2021</b>	191.85
	<b>Jan-2022</b>	201.00
	<b>Feb-2022</b>	294.00
	<b>Mar-2022</b>	468.80
7.	<b>Register and Transfer Agents</b>	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059 Maharashtra Tel No.: +91-22-62638200 Fax No.: +91-22-62638299 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Ashok Shetty SEBI Regn. No.: MB/INR000001385

8.	Share Transfer System		As all the shares are held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.		
9.	Distribution of Shareholding (as on 31.03.2022)				
	Shareholding	No. of Shareholders	Percentage of Shareholder	Share Amount	Percentage of Shareholding
	1-5000	4754	93.40	2611150	1.19
	5001-10000	108	2.12	828130	0.38
	10001-20000	70	1.38	1081770	0.49
	20001-30000	30	0.59	772460	0.35
	30001-40000	10	0.20	364230	0.17
	40001-50000	19	0.37	885510	0.40
	50001-100000	43	0.84	2721880	1.24
	100001-999999999	56	1.10	209802220	95.78
	Total	5090	100.00	219067350	100.00
10.	Dematerialization of shares and Liquidity		All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company was held in dematerialized form.		
11.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity		Not Applicable		
12.	Plant Locations		1. Village Rajoua, Distt: - Sagar (M.P.) 2. Village Sourai Tehsil - Banda, Distt: - Sagar (M.P.)		
13.	Address for correspondence		5-O-21, Basement R. C. Vyas Colony, Bhilwara - 311001, Rajasthan, India. Ph. No. 91-1482-237104/ 239091/ 230060 Email: secretarial@mbapl.com; Website: <a href="http://www.mbapl.com">www.mbapl.com</a>		
14.	list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.		Not Applicable		

## 11. Other Disclosures

### (a) Related Party Transactions:

During the year, none of the transactions with the related parties were in conflict with the interest of the Company at large.

All the related party transactions have been disclosed in the notes to the accounts of the Balance Sheet presented in the Annual Report.

**(b) Details of non-compliance:**

There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets during the last three years.

**(c) Vigil Mechanism/ Whistle Blower Policy:**

The Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. None of the person of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is displayed on the Company's website viz. <http://mbapl.com/pdf/Vigil-mechanism.pdf>

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(e) Web link where policy for determining 'material' subsidiaries is disclosed:**

The policy for determining 'material' subsidiaries is available on the website of the Company at <http://mbapl.com/pdf/Material-Subsidiaries-Policy.pdf>

**(f) Web link where policy on dealing with related party transactions is disclosed:**

The policy on dealing with related party transactions is available on the website of the Company at <http://mbapl.com/pdf/Policy-on-related-party-transactions.pdf>

**(g) Commodity price risk or foreign exchange risk and hedging activities:**

The Company has a proper Risk Management Practices and any risk arising from exposure to foreign currency for exports and imports is being hedged on a continuous basis. As of now, the Company does not hedge any commodity price risk.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under regulation 32(7A).**

Not Applicable

**(i) Certificate from the Practicing Company Secretary for the Non - Disqualification of Directors under SEBI (LODR), 2015- Regulation 34(3):**

The Company has received Certificate from Practicing Company secretary, M/s. Sourabh Bapna & Associates, regarding that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a director of companies by the Board, Ministry of Corporate Affairs or any other statutory authority as on March 31, 2022.

**(j) Where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required in the relevant financial year the same to be disclosed along with the reason thereof: - Not Applicable**

**(k) Total fees of all service paid by the listed company and its Subsidiary, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: - Rs. 1, 50,000 per annum.**

**(l) Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.**

The company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-22.

No. of complaints received: Nil

No. of complaints disposed off: Nil

**(m) Instance of non-Compliance of any requirement of corporate governance report:**

There has been no instance of non-compliance of any requirement of corporate governance report.

**(n) Disclosure of compliance of regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46:**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(o) Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**(p) CEO and CFO Certification:**

The Chairman and Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange(s). The annual Compliance Certificate given by Chairman and Managing Director and Chief Financial Officer is attached with this Report an integral part of the Annual Report.

**(q) Code of conduct for Board Members and Senior Management Personnel:**

The Board had approved a code of conduct for Board Members and Senior Management Personnel of the company which also incorporates the duties of Independent directors as laid down in Companies act, 2013. The Code has been displayed on the company's website **www.mbapl.com**. The Board Members and Senior Management Personnel have affirmed compliance with the aforesaid code.

**(r) Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:**

The Company taken Certificate from the Practicing Company secretaries, M/s. Sourabh Bapna & Associates, regarding compliance of conditions of corporate governance is attached with this Report an integral part of the Annual Report.

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

Date 30.05.2022  
Place Bhilwara (Raj)

Sd/- (Pankaj Ostwal) <b>Managing Director</b>  DIN 02586806	Sd/- (Sourabh Gupta) <b>Whole Time Director</b> & <b>Chief Financial Officer</b> DIN 07177647
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**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS  
OF CORPORATE GOVERNANCE**

To  
The Members,  
Madhya Bharat Agro Products Limited

We have examined the compliance conditions of corporate governance by Madhya Bharat Agro Products Limited for the Financial year ended March 31, 2022 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sourabh Bapna & Associates  
Practicing Company Secretary

Sd/-  
(Sourabh Bapna)  
Proprietor  
C.P. No. 19968  
M. No. A51505

Date: 30.05.2022  
Place: Bhilwara



**CERTIFICATION FROM THE MANAGING DIRECTOR AND THE CFO**

In terms of Regulation 34(3) of the SEBI (LODR) Regulation, 2015, we hereby certify as under:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We do further certify that there has been:
- i. No Significant changes in internal control over financial reporting during the year;
  - ii. No Significant changes in accounting policies during the year;
  - iii. No Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

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

Place	Bhilwara (Raj)	Sd/- (Pankaj Ostwal) <b>Managing Director</b>	Sd/- (Sourabh Gupta) <b>Whole Time Director &amp; Chief Financial Officer</b>
Date	30.05.2022	<b>DIN 02586806</b>	<b>DIN 07177647</b>

**ANNEXURE VIII****MANAGEMENT DISCUSSION & ANALYSIS REPORT****INDUSTRY SCENARIO AND DEVELOPMENTS**

The Company is mainly engaged in the manufacturing of fertilizer and chemical products. Out of three Primary nutrients viz N, P & K, which every soil requires, we are dealing in N and P nutrients through SSP and DAP/NPK complex Fertilizer. The winner in this field is those manufacturers who have integrated facilities and we are one among them. Demand of P has regularly increased and the same is ever growing with additional land coming under cultivation. The product being a part of agriculture revolution, received always Govt. support.

India still has capacity less than the demand and the deficit is met by imports. In India Less than 10% of total consumption of Rock by Indian fertilizers manufacturers sourced from Indigenous suppliers.

**OPPORTUNITIES**

MBAPL to increase its market share in Fertilizer and chemical industries and thus enhanced its competitive strength with efficient operations. After commissioning of its DAP/NPK Plant, the Company has started focusing on strengthening its reach in the existing territories and expansion in new geographies in India through a concerted brand building approach, which offers an opportunity to the Company to enhance its sales volumes and market share. Following opportunities are also available for MBAPL:

- Government's focus on agriculture and agri reforms.
- Huge demand and import dependency in case of phosphoric fertilizers in the Country provides an opportunity to Company for expanding its NPK fertilizer base.
- MBAPL has completed another Backward integration plant to produce in-house Phosphoric Acid, sulphuric acid for its DAP/NPK/Complex Fertilizer.
- Growing area under micro irrigation and demand for nutrient based fertiliser.
- Enhanced focus on digital platform for better connectivity with end consumers via social media and mobile applications.

**THREATS**

- The demand variation due to change in monsoon pattern.
- Large scale variations in input costs and inability/delay of Government to synchronise such changes in their policies for fertilizer industry.
- Government regulation. Though for betterment of farmers but many time cause of anxiety.
- Potential threat of new entrants which could adversely impact leading market position in several products.
- Volatility in the prices of Raw material and variation in the foreign exchange rates may affect business.

## SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Detail of Segment wise performance is furnished separately in the Balance Sheet of the Company.

## FUTURE OUTLOOK

The demand for both Nitrogenous & Phosphatic fertilizers in India is increasing steadily, With the domestic production almost stagnant and the demand increasing, the supply deficit of final as well as raw material has to be met from imports.

To meet this challenge, the group has entered into an agreement with Jordan Phosphate Mines Company (JPMC), Jordan (A government undertaking) to import substantial quantity of Raw material to meet the growing demand and has also finalized supply arrangements with certain local manufacturers of fertilizers, to augment total fertilizer availability in our marketing territory through our own marketing channel.

Further, Company has started manufacturing of its rich value-added highly demanding products DAP & NPK Complex fertilizer variants in various regions in India with installed capacity of 120000 MTPA. The Financial Year 2024 would be full-fledged year of functioning of this new project.

## RISK & CONCERN

Changes in Government policy, currency risk, fluctuation in input prices may have an impact on Company's profitability.

The Fertiliser industry is subject to Government regulations and dependent upon subsidy policies of the Government of India. The changes in such policies and higher dependence on subsidy may sometimes adversely affect the Company.

Possible non-availability of indigenous raw materials & fertilizers and their rising prices for non-urea fertilizers are matters of concern. Considering the Company's plans for higher imports. Increase in operating costs, mainly finance costs on working capital etc. may adversely affect profitability.

Our business is mostly dependent upon the growth of agriculture and Agri-products which are subject to substantial risks faced by the Monsoon in India. Weather condition such as delayed monsoon or less rainfall may affect our business. These are all factors which are beyond the control of the private enterprise and would continue to be a challenge.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has in place an adequate internal control system, which is commensurate with the size, scale and complexity of the company. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value

terms. Independence of the audit compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

During the period under review the Internal Financial Control were tested and no reportable material weakness in the design or operation were observed.

## OPERATIONAL PERFORMANCE

During the year under review, company has reported a turnover of Rs. 491.49 Crore as against of Rs. 185.71 Crore growing by 164.65 % over last Financial Year and similarly Profit after tax at Rs. 57.11 Crore as against 20.24 crores in previous year was up by 186.61%.

## KEY FINANCIAL RATIOS

Sr. No	Particulars of Ratio	31.03.2022	31.03.2021	change in Ratios %	Explanation for change in Ratios
1	Debtors Turnover	8.82	4.58	92.57%	Debtors' turnover ratio increased due to better management of debtors.
2	Inventory Turnover	4.14	3.07	34.85%	due to better inventory management.
3	Interest Coverage Ratio	11.77	8.52	38.14%	Improved, No major change
4	Current Ratio	1.51	1.50	0.66%	No major change.
5	Debt Equity Ratio	0.80	0.47	70.21%	Debt-Equity Ratio increased due to enhancement in working capital limit to meet increased operations.
6	Operating Profit Margin (%)	18.05	17.43	3.56%	No major change.
7	Net Profit Margin (%)	11.60	10.90	6.42%	No major change.

## DETAILS PERTAINING TO RETURN ON NET-WORTH OF THE COMPANY

Sr. No	Particulars of Ratio	31.03.2022	31.03.2021	change in Ratios %	Explanation for change in Return on Net Worth
1	Return on Net Worth (%)	27.77	13.55	104.94%	Improved due to better performance

**HUMAN RESOURCE DEVELOPMENT**

As a part of ongoing exercise of the restructuring and re-organisation of the Company's business, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements. We have had cordial relations with the staff throughout the year.

**CAUTIONARY STATEMENT**

There are certain statements in this report which the Company believes are forward looking. The forward-looking statements stated in this report could significantly differ from the actual results due to certain risks and uncertainties, including but not limited to economic developments, Government actions, etc.

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

Date 30.05.2022  
Place Bhilwara (Raj)

Sd/-  
(Pankaj Ostwal)  
**Managing Director**  
  
DIN 02586806

Sd/-  
(Sourabh Gupta)  
**Whole Time Director**  
&  
**Chief Financial Officer**  
DIN 07177647

## ANNEXURE IX

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

#### 1. Brief outline on CSR Policy of the Company.

CSR activities at Madhya Bharat Agro Products Limited is already in existence for the benefit of the society. It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long-term success, competitiveness and sustainability.

Further, Corporate Social Responsibility makes a business sense as companies with effective CSR brings improvement in social strata which ultimately comes back to the company through increased demand of products. It also improves image as a socially responsible company.

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. Madhya Bharat Agro Products Limited will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company <http://www.mbapl.com> in the 'Investor Handbook' under 'Investor Relation'.

#### 2. Composition of CSR Committee-

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Arvind Kothari	Chairman	2	2
2.	Shri Paras Mal Surana	Member	2	2
3.	Shri Bheru Lal Ostwal	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: - <http://www.mbapl.com>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): - Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

(Rs. in lakhs)

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-2021	0.17	-
2	2019-2020	-	-
3	2018-2019	-	-
	<b>TOTAL</b>		

6. Average net profit of the company as per section 135(5): - 2229.07 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): - 44.58 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: - Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): - 44.58 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial Year. (Rs. in Lakhs)	Amount Unspent (Rs. In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
45.14	NA	NA	NA	NA	NA



**(b) Details of CSR amount spent against ongoing projects for the financial year: - Not Applicable**

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.												
2.	NA											
3.												
	TOTAL											

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	Location of the project.		Amount spent for the project (Rs. in Lakhs).	Mode of implementation on Direct Yes/No	Mode of implementation - Through implementing agency	
				State.	District.			Name.	CSR registration No.
1	COVID support - supply of sanitizer, Mask and food packets distribution	promoting health care and Disaster Management	Yes	Madhya Pradesh	Sagar	1.00	Yes	-	-
2	Ensure Environmental Sustainability - Flora and Fauna	Environmental Sustainability	Yes	Madhya Pradesh	Sagar	10.03	Yes	-	-
3	COVID support - supply of sanitizer, Mask and food packets distribution	promoting health care	Yes	Madhya Pradesh	Sagar	2.00	No	Red Cross Society	In Process
4	Promoting Preventive Health Care and Promoting education by providing contributions	promoting health care	Yes	Madhya Pradesh	Sagar	13.29	Yes	-	-
5	Promoting Preventive Health Care and Promoting education by providing contributions	promoting health care and promoting education	No	New Delhi	New Delhi	5.00	No	Akhil Bhartiya Mahila Mandal	In Process
6	Eradication of Poverty, Food Distribution	Eradicating hunger, poverty and malnutrition	No	Rajasthan	Bhilwara	13.02	Yes	-	-
7	Temple Development & Construction	Protection of national heritage, art and culture	Yes	Madhya Pradesh	Sagar	0.80	Yes	-	-
	<b>Total</b>					<b>45.14</b>			

- (d) **Amount spent in Administrative Overheads:** Not Applicable  
 (e) **Amount spent on Impact Assessment, if applicable:** Not Applicable  
 (f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** 45.14 Lakhs  
 (g) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	44.58
(ii)	Total amount spent for the Financial Year	45.14
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.56
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.56

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.							
2.	NA						
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
N.A.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: -

- (a) Date of creation or acquisition of the capital asset(s) - Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset - Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): - Not Applicable

For and on behalf of the Board of Directors

Date 30.05.2022  
Place Bhilwara (Raj)

Sd/-  
(Pankaj Ostwal)  
**Managing  
Director**  
DIN 02586806

Sd/-  
(Arvind Kothari)  
**Chairman CSR  
Committee**  
DIN 03268623

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MADHYA BHARAT AGRO PRODUCTS LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

##### **Opinion**

We have audited the accompanying standalone financial statements of **MADHYA BHARAT AGRO PRODUCTS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

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

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the

Context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.



- e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position;
  - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
  - iv)
    - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v) As stated in Note 13.2 to the standalone financial statements
    - a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
    - b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- 2) As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Sd/-**

Rajneesh Kanther  
Proprietor  
(Membership No. 102162)

Place: Bhilwara  
Date: May 30<sup>th</sup>, 2022

UDIN: 22102162AJXCHM9528

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of MADHYA BHARAT AGRO PRODUCTS LIMITED of even date)

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **MADHYA BHARAT AGRO PRODUCTS LIMITED** (the “Company”) as of March 31<sup>st</sup>, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**Sd/-**

Place: Bhilwara  
Date: May 30<sup>th</sup>, 2022

Rajneesh Kanther  
Proprietor  
(Membership No. 102162)  
UDIN: 22102162AJXCHM9528

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

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MADHYA BHARAT AGRO PRODUCTS LIMITED of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets :
  - a)
    - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
    - (B) The Company does not have any Intangible Assets.
  - b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31st, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) The inventories have been physically verified during the year by the management at reasonable intervals and in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate and no material discrepancy was noticed on such verification.
  - b) As disclosed in note 17.1 to the financial statements, the Company has been sanctioned working capital limits in excess of five crores rupees in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the information and explanation given to

us and as represented by the person those charge with governance, we have not noticed any material variations in the quarterly returns or statements filed by the company with such banks or financial institutions with the books of account of the Company.

- iii. As per the information and explanations given to us and on the basis of the books of accounts, the company has not granted loans to any parties covered in the register maintained under section 189 of the Companies act, 2013. Thus clause iii (a), iii (b), iii(c) are not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the directives issued by the Reserve Bank of India, provisions of sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- vii. In respect of statutory dues:
  - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31<sup>st</sup>, 2022 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31<sup>st</sup>, 2022 on account of disputes are given below:

Name of the statue	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Demand raised by commercial tax department for Entry tax for the F.Y.2012-13	Sales Tax	3.72	2012-13	Appeal made to Appellate Authority ,APP DC Sagar Division

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
- a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) On an overall examination of the financial statements of the Company, term loans were applied for the purpose for which the loans were obtained.
  - d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x.
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
  - b) The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (x) (b) of the Order is not applicable to the Company.
- xi.
- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. And hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.  
b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities



falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx.
- a) There are no unspent amounts towards Corporate Social Responsibility (CSR) accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year.
  - b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of any ongoing project accordingly, reporting under clause 3(xx) (b) of the Order is not applicable for the year.
- xxi. Since this report is in relation to standalone financial statements accordingly, reporting under clause 3(xxi) of the Order is not applicable for the year.

**For M/s. Rajneesh Kanther & Associates**

Chartered Accountants

(Firm's Registration No. 021262C)

**Sd/-**

Rajneesh Kanther

Proprietor

(Membership No. 102162)

Place: Bhilwara

Date: May 30<sup>th</sup>, 2022

UDIN: 22102162AJXCHM9528

**MADHYA BHARAT AGRO PRODUCTS LIMITED**

5-O-21, Basement, R.C. Vyas Colony, Bhilwara (Raj.) India

Website: www.mbapl.com, Email: secretarial@mbapl.com; CIN: L24121RJ1997PLC029126

**BALANCE SHEET AS AT 31<sup>st</sup> March 2022**



(Rs. in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	15306.47	8513.89
(b) Capital work-in-progress	3	249.82	7535.05
<b>(c) Financial Assets</b>			
(i) Other Financial Assets	4	183.95	135.65
(d) Other Non-Current Assets	5	51.69	4.95
<b>Total Non Current Assets</b>		<b>15791.93</b>	<b>16189.54</b>
<b>Current Assets</b>			
(a) Inventories	6	15749.72	5307.54
<b>(b) Financial Assets</b>			
(i) Trade receivables	7	7381.45	2729.55
(ii) Cash and cash equivalents	8	1.09	18.27
(iii) Bank balances other than cash and cash equivalents as above (ii)	8A	822.90	14.72
(iii) Loans	9	15.50	8.21
(iv) Other Current Financial Assets	10	147.91	128.00
(c) Other current assets	11	3993.27	2045.28
<b>Total Current Assets</b>		<b>28111.84</b>	<b>10251.57</b>
<b>Total Assets</b>		<b>43903.77</b>	<b>26441.11</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	2190.67	2190.67
(b) Other Equity	13	18341.04	12745.34
<b>Total Equity</b>		<b>20531.71</b>	<b>14936.01</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	14	3237.06	4135.59
(ii) Lease Liabilities	15	10.72	10.93
(b) Provisions	21	21.67	15.46
(c) Deferred tax liabilities (Net)	16	1505.82	511.42
<b>Total Non Current Liabilities</b>		<b>4775.27</b>	<b>4673.40</b>
<b>Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	17	13129.45	2885.46
<b>(ii) Trade Payables</b>	18		
(A) total outstanding dues of micro enterprises and small enterprises		28.42	89.42
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		3562.15	2082.15
(iii) Lease Liabilities	16	0.21	0.19
(iv) Other financial liabilities	19	394.59	448.01
(b) Other current liabilities	20	1467.01	1267.11
(c) Provisions	21	4.68	2.60
(d) Current tax liabilities (Net)	22	10.28	56.76
<b>Total Current Liabilities</b>		<b>18596.79</b>	<b>6831.70</b>
<b>Total Equity and Liabilities</b>		<b>43903.77</b>	<b>26441.11</b>

Significant Accounting Policies & the accompanying notes forming integral part of the Financial Statements

"1 to 47"

As per our report of even date.

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

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

Sd/-

Sd/-

(Pankaj Ostwal)  
**Managing Director**  
DIN 02586806

(Praveen Ostwal)  
**Director**  
DIN : 00412207

Sd/-

Sd/-

(Pallavi Sukhwala)  
**Company Secretary**  
Membership No. ACS 43744

(Sourabh Gupta)  
**CFO**  
DIN 07177647

Sd/-

(Rajneesh Kanther)

**Proprietor**

**Membership No. 102162**

Place: Bhilwara

Date : 30<sup>th</sup> May ,2022

**MADHYA BHARAT AGRO PRODUCTS LIMITED**

5-O-21, Basement, R.C. Vyas Colony, Bhilwara (Raj.) India

Website: www.mbapl.com , Email: secretarial@mbapl.com; CIN : L24121RJ1997PLC029126

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> March 2022**



(Rs. in Lakhs)

Particulars	Note No.	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>REVENUE</b>			
Revenue From operations	23	49148.95	18571.39
Other income	24	25.85	15.38
<b>Total Income</b>		<b>49174.80</b>	<b>18586.77</b>
<b>Expenses:</b>			
Cost of materials consumed	25	34360.34	9381.64
Changes in inventories of finished goods, work-in-progress, and stock-in- trade	26	(5,675.58)	(340.72)
Employee benefits expense	27	1775.37	1134.83
Finance costs	28	753.98	380.13
Depreciation and amortization expense	29	1812.96	937.20
Other expenses	30	8029.86	4236.13
<b>Total expenses</b>		<b>41,056.93</b>	<b>15729.21</b>
<b>Profit Before Tax</b>		<b>8117.87</b>	<b>2857.56</b>
<b>Tax expense:</b>			
(1) Current tax		1422.74	501.91
(2) Deferred tax		993.09	331.46
<b>Total Tax Expense</b>		<b>2415.83</b>	<b>833.37</b>
<b>Profit After Tax</b>		<b>5702.04</b>	<b>2024.19</b>
<b>Other Comprehensive Income</b>	31		
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		4.50	(20.62)
Tax relating to remeasurement of defined benefits plans		(1.31)	6.00
<b>Total Other Comprehensive Income for the period</b>		<b>3.19</b>	<b>(14.62)</b>
<b>Total Comprehensive Income for the period</b>		<b>5705.23</b>	<b>2009.58</b>
<b>Earning Per equity Share of Face value Rs.10 each (Basic and Diluted in Rs.)</b>	38	<b>26.03</b>	<b>9.24</b>

Significant Accounting Policies & the accompanying notes forming integral part of the Financial Statements

"1 to 47"

As per our report of even date.

**For :M/s Rajneesh Kanther & Associates**

**Chartered Accountants**

**(Firm Registration No. 021262C)**

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

Sd/-

Sd/-

(Pankaj Ostwal)  
**Managing Director**  
**DIN 02586806**

(Praveen Ostwal)  
**Director**  
**DIN : 00412207**

Sd/-

(Rajneesh Kanther)

**Proprietor**

**Membership No. 102162**

Place: Bhilwara

Date : 30<sup>th</sup> May ,2022

Sd/-

Sd/-

(Pallavi Sukhwai)  
**Company Secretary**  
**Membership No. ACS 43744**

(Sourabh Gupta)  
**CFO**  
**DIN 07177647**

(Rs. in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	8,117.87	2,857.56
<b>Adjustments for:</b>		
Depreciation and Amortisation	1,812.96	937.20
Finance Cost	753.11	379.24
Interest Income	(14.81)	(5.82)
Loss / (Profit) on sale of Property, Plant & Equipment	0.73	5.45
Interest paid on Lease Liabilities	0.87	0.89
Actuarial (Loss)/ Gains on Defined Benefit Obligations	4.50	(20.62)
<b>Operating profit before working capital change</b>	<b>10,675.23</b>	<b>4,153.90</b>
<b>Adjustments for:</b>		
Increase/(Decrease) in Trade payable	1,419.00	1,594.84
Increase/(Decrease) in Other Current Liability	199.90	235.42
(Increase)/Decrease in Inventories	(10,442.17)	(2,009.45)
(Increase)/Decrease in Trade Receivable	(4,651.90)	47.60
(Increase)/Decrease in Other Financial Assets	(923.13)	202.65
(Increase)/Decrease in Other Current Assets	(1,947.99)	(1,182.05)
(Increase)/Decrease in Other Financial Assets -Loans	(7.29)	(6.93)
Increase/(Decrease) in Other Financial Liability	(53.67)	405.02
Increase/(Decrease) in Provision	8.29	18.06
<b>Net changes in working capital</b>	<b>(16,398.96)</b>	<b>(694.84)</b>
<b>Cash Generated from/(used in) operations</b>	<b>(5,723.73)</b>	<b>3,459.06</b>
Direct Taxes paid	1,469.23	483.18
<b>Net cash from/(Used in) operating activities (A)</b>	<b>(7,192.96)</b>	<b>2,975.88</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipment	(1,324.48)	(5,626.09)
Sale proceed of Property, Plant & Equipment	3.45	20.84
Loss / (Profit) from sale of investment	-	-
Interest Income	14.81	5.82
<b>Net cash from investing activities (B)</b>	<b>(1,306.22)</b>	<b>(5,599.43)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of long term borrowings	38.00	432.00
Repayment of long term borrowings	(803.85)	1,306.66
Proceeds/(Repayment) of short term borrowings	1011.31	1,297.88
Repayment of Lease Liabilities	(1.07)	(1.07)
Finance Costs (Including Lease Liabilities Interest)	(753.11)	(379.24)
Dividend Paid	(109.28)	(109.44)
<b>Net cash from financing activities (C)</b>	<b>8,482.00</b>	<b>2,546.79</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(17.18)</b>	<b>(76.76)</b>
Cash and cash equivalents as at the Start of the Year	18.27	95.03
Cash and cash equivalents as at the End of the Year	1.09	18.27
<b>Net Cash Flow During The Year</b>	<b>(17.18)</b>	<b>(76.76)</b>

As per our report of even date.

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

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

**Sd/-**

(Rajneesh Kanther)  
**Proprietor**  
**Membership No. 102162**  
Place: Bhilwara  
Date : 30<sup>th</sup> May ,2022

**Sd/-**

(Pankaj Ostwal)  
**Managing Director**  
**DIN 02586806**

**Sd/-**

(Pallavi Sukhwai)  
**Company Secretary**  
**Membership No. ACS 43744**

**Sd/-**

(Praveen Ostwal)  
**Director**  
**DIN : 00412207**

**Sd/-**

(Sourabh Gupta)  
**CFO**  
**DIN 07177647**



**A. EQUITY SHARE CAPITAL**

(Rs. in Lakhs)

Balance as at April 1 <sup>st</sup> , 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1 <sup>st</sup> , 2020	Changes in equity share capital during the year	Balance as at March 31 <sup>st</sup> , 2021
2,190.67	-	2,190.67	-	2,190.67

(Rs. in Lakhs)

Balance as at April 1 <sup>st</sup> , 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1 <sup>st</sup> , 2021	Changes in equity share capital during the year	Balance as at March 31 <sup>st</sup> , 2022
2,190.67	-	2,190.67	-	2,190.67

**B. OTHER EQUITY**

Particulars	Reserve and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	Remeasurement of defined benefit plans	
<b>As on 01.04.2020</b>				
Balance at the beginning of the reporting year i.e 01.04.2020	1,686.52	9,156.00	2.59	10,845.11
Total Comprehensive Income for the year	-	2,024.19	(14.61)	2,009.58
Any other change		0.18		0.18
Dividend paid (Including Dividend Distribution Tax)	-	109.53		109.53
<b>Balance at the end of the reporting period i.e. 31.03.2021</b>	<b>1,686.52</b>	<b>11,070.84</b>	<b>(12.02)</b>	<b>12,745.34</b>
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>5,702.04</b>	<b>3.19</b>	<b>5,705.23</b>
	-	-	-	
Dividends Paid (including Dividend Distribution Tax)	-	109.53	-	109.53
<b>Balance at the end of the reporting period i.e. 31.03.2022</b>	<b>1,686.52</b>	<b>16,663.35</b>	<b>(8.83)</b>	<b>18,341.04</b>

As per our report of even date.

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

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

Sd/-

Sd/-

(Pankaj Ostwal)  
**Managing Director**  
**DIN 02586806**

(Praveen Ostwal)  
**Director**  
**DIN : 00412207**

Sd/-

Sd/-

Sd/-

(Rajneesh Kanther)  
**Proprietor**  
**Membership No. 102162**  
Place: Bhilwara  
Date : 30<sup>th</sup> May ,2022

(Pallavi Sukhwai)  
**Company Secretary**  
**Membership No. ACS 43744**

(Sourabh Gupta)  
**CFO**  
**DIN 07177647**

**CORPORATE INFORMATION:**

Madhya Bharat Agro Products Limited ("the Company") is a public limited Company, incorporated and domiciled in India having its registered office at 5-O-21, Basement, R.C. Vyas Colony, Bhilwara (Rajasthan) 311001. The equity shares of the Company are listed on NSE Limited. The Company is engaged in the manufacturing of fertilizers & chemicals having manufacturing facility located Unit I at Rajoua Dist. Sagar (M.P.) & Unit II at Sourai Industrial Area ,Village Sourai Teh. -Banda Distt. Sagar(M.P.)

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2022 are approved for issue by the Company's Board of Directors on 30<sup>th</sup> May 2022.

**1. SIGNIFICANT ACCOUNTING POLICIES & KEY ACCOUNTING ESTIMATES & JUDGEMENTS**

**1.1 Basis of Preparation of Financial Statements:**

**A. Statement of compliance:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Ind AS had been adopted w.e.f. 1<sup>st</sup> April, 2018 as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015.

The Financial Statements includes Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit & Loss including Other Comprehensive Income, Cash Flows Statement, and Statement of Change in Equity for the year ended 31<sup>st</sup> March, 2022 and significant accounting policy and other explanatory information.

**B. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Lakhs, except as stated otherwise.

**C. Basis of measurement**

The financial statements have been prepared under the historical cost convention on accrual basis. The following items are measured on each reporting date as under:

- Defined benefit plans - plan assets at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**D. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23<sup>rd</sup>, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

**Ind AS 16 – Property Plant and Equipment** - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1<sup>st</sup>, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1<sup>st</sup>, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

### **E. Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note no. 1.2.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

### **1.2 Use of Critical Judgments, Estimates and Assumptions**

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial years are described below. The Company based its assumptions and estimates or parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**A. Useful life of property, plant and equipment and Intangible assets**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

The useful life and residual values of Company's assets are determined by management at the time the asset is acquired. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**B. Employee benefits**

Defined benefit plans and other long-term benefits are evaluated with reference to uncertain events and based upon actuarial assumptions including among others discount rates, expected rates of return on plan assets, expected rates of salary increases, estimated retirement dates, mortality rates. The significant assumptions used to account for Employee benefits are described in Note no M.

**C. Revenue recognition**

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Judgement is also required to determine the transaction price for the contract. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

**D. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**E. Loss allowance for receivables**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

**F. Taxes**

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



**G. Contingencies**

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies and obligations. Obligations relating to Project Executions is largely depends upon performance of services by respective contractors. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**A. Current and non-current classification**

Any asset or liability is classified as current or non-current based on Company's normal- operating cycle and other criteria as set out in the Division II of schedule III to the Companies Act, 2013.

Asset/ Liability is classified as current, if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets/ liabilities are classified as noncurrent.

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

**B. Property, plant and equipment (PPE)**

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to the costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful life's, these components are accounted for as separate items.

All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount or rebate is deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the statement of profit and loss as and when incurred.

Capital work-in-progress includes cost of property, plant and equipment not ready for the intended use as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'capital advances' under other non-current assets.

The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the property, plant and equipment and the resultant gains or losses are recognised in the statement of profit and loss. Property, plant and equipment to be disposed of are reported at the lower of the carrying value or the fair value less cost of disposal.

The Company had elected to continue with the carrying value of all of its property, plant and equipment appearing in the financial statements prepared as per accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Generally Accepted Accounting Standards "Previous GAAP") as the deemed cost of the property, plant and equipment in the opening balance sheet under Ind As effective 1st April, 2018.

### C. Depreciation and amortization

Depreciation method, estimated useful life's and residual values are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of Property, Plant & Equipment are as follows:

Assets	Useful life (Years)
Buildings	30 -60
Plant and Machinery	8 -20
Office Equipment	5
Furniture & Fixtures	10
Vehicles	8 -10
Computers	3
Energy Saving Equipment	15
Pollution Control Equipment	15
Electric Installations	10

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the Property, Plant and Equipment are likely to be used.

Depreciation on property, plant and equipment is provided on pro rata basis using the straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 in consideration with useful life of the assets as estimated by the management.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of property, plant and equipment is sold, discarded, demolished or scrapped.

The estimated useful life's, residual values and methods of depreciation of property, plant & equipment are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if any.

The Company had reassess the useful life of unit-1 plant & machinery and building whose useful life was reduce due to wear & tear , company reassess the reduce life as per analysis of mechanical chartered engineer also take certificate from them (refer note 3.4).

### **D. Impairment of assets**

As at the end of each accounting year, the Company reviews the carrying amounts of its property, plant and equipment (PPE) and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- a) In the case of an individual asset, at the higher of the net selling price and the value in use; and
- b) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

### **E. Leases:**

#### **As a Lessee**

The Company implemented a single accounting model as per Ind AS 116, requiring lessees to recognize assets and liabilities for all leases excluding exceptions listed in the standard. The Company elected to apply exemptions to short term leases or for leases for which the underlying asset is of low value.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

Based on the accounting policy applied the Company recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date, less any lease incentives,
- Any initial direct costs incurred by the lessee,
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. Depreciation is calculated using the straight-line method over the shorter of lease term or useful of underlying assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors. Variable lease payments not included in the initial measurement of the lease liability are recognized directly in the profit and loss. The lease payments are discounted using the Company's incremental borrowing rate or the rate implicit in the lease contract.

### **F. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **i) Financial assets**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition and adjusted for transaction costs that are attributable to the acquisition or issues of financial assets and financial liabilities in case of financial assets or financial liabilities not at fair value through profit or loss account.

Where the fair value of financial assets and financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and transaction price is recognised in the statement of profit and loss.

However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

Financial assets are subsequently classified as measured at:

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

**i. Financial assets measured at amortised cost**

A financial asset is subsequently measured at amortised cost if both of the following conditions are met:

- If it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to trade receivables, loans and other financial assets of the Company measured using the Effective Interest Rate (EIR) method less impairment, if any, and the amortisation of EIR and loss arising from impairment, if any is recognised in the statement of profit and loss.

**ii. Financial assets measured at fair value**

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- If it is held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income.

A financial asset not classified as either amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

**De-recognition of Financial Assets**

A financial asset is de-recognised only when

- The contractual rights to cash flows from the financial asset expire;
- The Company has transferred the contractual rights to receive cash flows from the financial asset or;
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through the statement of profit and loss.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

### **ii) Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

### **Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity Instrument**

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

### **Financial Liability**

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Interest bearing loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost using effective interest rate method. Any difference between proceeds (net of transaction cost) and the settlement amount of borrowing is recognised over the terms of the borrowings in the statement of profit and loss.

### **De-recognition of Financial liabilities**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or has expired.

### **iii) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## **G. Fair value measurement**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability and the Company has access to the principal or the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows: -

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### **H. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### **I. Income tax**

Income tax expense for the year comprises current tax and deferred tax.

#### **Current tax**

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

Current tax is determined on the basis of taxable income and tax credits computed for Company, in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit under the IT Act.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affects neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized.

Deferred tax assets (including unused tax credits such as MAT credit) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws in force. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized. Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Current and deferred tax are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

### J. Inventories

Raw Materials, Packing Materials, Consumable Stores and Spares including Fuel and Finished goods are valued at the lower of cost or net realizable value as under:

( i )	Raw materials, Packing materials, Stores and Spares including Fuel	At Cost on FIFO basis
( ii )	Stock in trade and Finished Goods	At Cost plus appropriate overheads

The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities), freight inward and other expenditure directly attributable to the acquisition but net of trade discount, rebates, and other similar items.

The cost of Inventories of finished goods comprises the cost of purchases, the cost of conversion and the cost of packing materials.

The cost of conversion comprises of depreciation and repairs and maintenance of plant and machineries, power and fuel, factory management and administration expenses and consumable stores and spares.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost to make sale.

### K. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### L. Foreign currency translation

The functional currency and presentation currency of the Company is Indian Rupee.

Transactions denominated in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying the exchange rate prevailing on the date of transaction.

Foreign currency denominated monetary items is restated at the closing exchange rates.

Non-monetary items are recorded at exchange rate prevailing on the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the statement of profit and loss.

The forward exchange contracts are marked to market and gain/loss on such contracts are recognised in the statement of profit and loss at the end of each reporting period.

### M. Employee benefits

#### i) Short-term benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**ii) Post-employment benefits:**

**i. Defined benefit plan**

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on Project Unit Credit Method made at the end of each financial year. The scheme is maintained and administered by Life Insurance Corporation of India to which the Company makes periodical contributions through its trustees.

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

**ii. Defined contribution plan**

A Defined Contribution Plan is plan under which the Company makes contribution to Employee's Provident Fund administrated by the Central Government. The Company's contribution is charged to the statement of profit and loss.

**iii) Other long-term employee benefits - Leave Salary**

The liability towards leave salary which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services is recognized based on actuarial valuation carried out using the Projected Unit Credit Method.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**N. Provision and contingent liabilities**

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably require an outflow of resources to settle the obligation and a reliable estimate can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or where reliable estimate of the obligation cannot be made. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**O. Revenue recognition:**

Revenue from contracts with customer is recognized when the Company satisfies a performance obligation by transferring the promised goods or services to a customer at a transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer as per contract, excluding amount of taxes collected on behalf of the government. The transaction price is adjusted of trade discount, cash discount, volume rebate and other variable considerations as per the terms of contract.

**a. Sale of Goods**

Revenue from sale of products is recognised at a point in time when the control on the goods have been transferred to a customer i.e. when material is delivered to the customer or as per shipping terms, as may be specified in the contract.

**b. Government Subsidy**

Subsidy has been recognized by the Company on the basis of the notification received from the ministry of Chemicals and fertilizers from time to time.

**c. Other Operating Revenue**

- i. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable interest rates.
- ii. Claim lodged with insurance companies is recognized as income on acceptance by the insurance Companies.
- iii. Rental income is recognised in the statement of profit and loss on straight line basis.

**P. Segment accounting**

The Managing Directors monitor the operating results of the business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products.

- i. Segment revenue includes sales and other income directly identifiable with/ allocable to the Segment.
- ii. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- iii. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- iv. Income which relates to the Company as a whole and not allocable to segments is included in unallowable income.
- v. Segment result represent the profit before interest and tax earned by each segment without allocation of central administrative costs.
- vi. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

The Company has disclosed Business Segments as its primary segments. Reporting segments have been identified as Fertilizers and Chemicals, taking into accounts the nature of product, the different risk and returns, the organizational structure and the internal reporting system.

The Company caters mainly to the need of domestic market. The direct export turnover is Nil during the year. As such there are no reportable geographical segments.

### **Inter-Segment transfer pricing**

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis and are on an arm's length basis in a manner similar to transactions with third parties.

These transfers are eliminated in consolidation.

### **Q. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **R. Statement of cash flow**

Cash flows are reported using the indirect method prescribed in Ind AS 7 'Statement of Cash Flows', whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**Madhya Bharat Agro Products Limited**

Notes forming part of financial statements for the quarter &amp; year ended as on 31.03.2022

**3. Property, Plant and Equipment**


(Rs. in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 <sup>st</sup> April 2021	Additions	(Disposals)	As at 31 <sup>st</sup> March 2022	As at 1 <sup>st</sup> April 2021	for the period	On disposals	As at 31 <sup>st</sup> March 2022	Balance as at 31 <sup>st</sup> March 2022	Balance as at 31 <sup>st</sup> March 2021
<b>A Tangible Assets</b>										
Factory Building	3,113.06	1,240.62	-	4,353.68	695.08	144.56	-	839.64	3,514.04	2417.98
Office Building	163.46	78.19	-	241.65	25.56	3.67	-	29.23	212.42	137.90
Plant & Machinery	7,466.76	7,211.58	-	14,678.34	4,260.80	1,509.32	-	5,770.12	8,908.23	3205.96
Plant Electricals	577.02	-	-	577.02	384.16	54.56	-	438.72	138.30	192.86
OE-Office Equipments	19.61	5.08	0.72	23.97	14.54	2.12	0.12	16.54	7.43	5.08
Tools & Spares	1.39	-	-	1.39	1.30	-	-	1.30	0.09	0.09
Furniture & Fixtures	33.97	-	-	33.97	25.51	2.69	-	28.20	5.77	8.47
Vehicles	130.77	69.51	5.98	194.30	30.52	17.32	2.40	45.44	148.86	100.23
Quality Control Laboratory	11.75	-	-	11.75	9.61	0.96	-	10.57	1.18	2.14
Computers	27.05	4.72	-	31.77	19.06	4.39	-	23.45	8.32	7.99
Gas Cylinder	0.14	-	-	0.14	0.10	0.01	-	0.11	0.03	0.03
<b>B. Assets under Finance Lease</b>										
Right of Use- Leasehold Land	2,655.37	-	-	2,655.37	220.21	73.36	-	293.57	2,361.80	2,435.16
<b>Total</b>	<b>14,200.35</b>	<b>8,609.70</b>	<b>6.70</b>	<b>22,803.35</b>	<b>5,686.45</b>	<b>1,812.96</b>	<b>2.52</b>	<b>7,496.89</b>	<b>15,306.47</b>	<b>8,513.89</b>
<b>C Capital Work In Progress</b>	<b>7,535.04</b>	<b>1,245.18</b>	<b>8,530.40</b>	<b>249.82</b>					<b>249.82</b>	<b>7,535.05</b>
Building	1,067.43	328.62	1,318.81	77.24					77.24	1067.43
Plant & Machinery	6,467.61	916.56	7,211.59	172.58					172.58	6467.62
<b>Total this year</b>	<b>21,735.39</b>	<b>9,854.88</b>	<b>8,537.10</b>	<b>23,053.18</b>	<b>5,686.45</b>	<b>1,812.96</b>	<b>2.52</b>	<b>7,496.89</b>	<b>15,556.29</b>	<b>16,048.94</b>

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 <sup>st</sup> April 2020	Additions	(Disposals)	As at 31 <sup>st</sup> March, 2021	As at 1 <sup>st</sup> April 2020	for the period	On disposals	As at 31 <sup>st</sup> March, 2021	Balance as at 31 <sup>st</sup> March 2021	Balance as at 31 <sup>st</sup> March 2020
<b>A Tangible Assets</b>										
Factory Building	2879.95	233.12	-	3,113.07	601.69	93.40	-	695.09	2,417.98	2278.26
Office Building	163.47	0.00	-	163.47	22.96	2.59	-	25.55	137.91	140.51
Plant & Machinery	6603.26	900.90	37	7,466.77	3594.57	689.86	23.63	4,260.80	3,205.96	3008.69
Plant Electricals	571.39	5.64	-	577.03	330.02	54.15	-	384.17	192.86	241.37
OE-Office Equipments	17.83	1.78	-	19.61	13.05	1.47	-	14.52	5.09	4.78
Tools & Spares	1.39	0.00	-	1.39	1.27	0.02	-	1.29	0.09	0.12
Furniture & Fixtures	31.47	2.50	-	33.97	22.65	2.85	-	25.50	8.47	8.82
Vehicles	137.87	10.90	18	130.75	22.47	15.50	7.46	30.51	100.23	115.40
Quality Control Laboratory	11.75	0.00	-	11.75	8.55	1.06	-	9.61	2.14	3.20
Computers	21.56	7.57	2	27.05	16.23	2.93	0.10	19.06	7.99	5.33
Gas Cylinder	0.14	0.00	-	0.14	0.10	0.01	-	0.11	0.03	0.04
<b>B. Assets under Finance Lease</b>										
Right of Use- Leasehold Land	2657.04	0.00	1.66	2,655.38	146.86	73.36	0.00	220.22	2,435.16	2,510.18
<b>Total</b>	<b>13,097.12</b>	<b>1,162.41</b>	<b>59.15</b>	<b>14,200.38</b>	<b>4,780.42</b>	<b>937.20</b>	<b>31.19</b>	<b>5,686.43</b>	<b>8,513.89</b>	<b>8,316.70</b>
<b>C Capital Work In Progress</b>	<b>3,071.37</b>	<b>5,619.32</b>	<b>1,155.64</b>	<b>7,535.05</b>	-	-	-	-	<b>7,535.05</b>	<b>3071.37</b>
Building	364.38	834.00	130.95	1,067.43					1,067.43	364.38
Plant & Machinery	2,706.99	4,785.32	1,024.69	6,467.62					6,467.62	2706.99
<b>Total this year</b>	<b>16,168.48</b>	<b>6,781.73</b>	<b>1,214.79</b>	<b>21,735.42</b>	<b>4,780.42</b>	<b>937.20</b>	<b>31.19</b>	<b>5,686.43</b>	<b>16,048.94</b>	<b>11,388.06</b>

Additional Note:

- For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of 1st April, 2018.
- Refer Note 14 and 17 for details of assets pledged.
- Leasehold land includes assets acquired as "Right to Use".
- The Company had reassess the useful life of unit-1 plant & machinery and building whose useful life was reduce due to wear & tear , company reassess the reduce life as per analysis of mechanical chartered engineer also take certificate from them.
- Company had started new DAP/NPK fertilizer plant during the year i.e. on 17<sup>th</sup> May 2021 (date of commencement of operation)
- Capital work-in-progress ageing schedule for the year ended March 31<sup>st</sup>, 2022 and March 31<sup>st</sup>, 2021 is as follows:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>A. Projects in progress</b>					
As at March 31 <sup>st</sup> , 2022	249.82	-	-	-	249.82
As at March 31 <sup>st</sup> , 2021	4,463.68	2136.13	31.4	903.84	7535.05

#### 4. OTHER FINANCIAL ASSETS

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>(Unsecured and considered good)</b>		
Deposit with Banks having maturity more than 12 months	3.30	-
Security Deposits*	180.65	135.65
<b>Total</b>	<b>183.95</b>	<b>135.65</b>

\* Pledged with government authorities and others

#### 5. OTHER NON - CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>(Unsecured and considered Good)</b>		
Capital Advances	51.69	4.95
<b>Total</b>	<b>51.69</b>	<b>4.95</b>

#### 6. INVENTORIES

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(As taken ,valued & certified by the management)		
a) Raw Materials	6,827.65	2,360.99
b) Finished Goods	8,266.59	2,591.01
c) Stores & Spares	601.44	301.34
d) Other Consumables	54.04	54.20
<b>Total</b>	<b>15,749.72</b>	<b>5,307.54</b>

6.1 All the above inventories have been valued as per the accounting policy (Refer Note No. 2. J)

6.2 The major components of inventory in case of raw material are Rock-Phosphate, Sulphuric Acid, Ammonia, Phosphoric Acid & HDPE Bags, Boron, Zinc Sulphate (Boron & Zinc Sulphate are fortified with SSP), Sulphur etc. and in case of finished goods its includes Beneficiated Rock Phosphate(BRP), Single Super Phosphate(SSP), Granular Single Super Phosphate(GSSP),Di-ammonium Phosphate (DAP), Nitrogen Phosphorus and Potassium (NPK) ,Chemical Product like Phosphoric Acid(PAP) & Sulphuric Acid & Oluem.

6.3 Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 17.1)

#### 7. TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Trade receivables Unsecured,Considered Good	2,110.02	1,219.09
Subsidy receivables Unsecured ,Considered Good	5,271.43	1,510.46
<b>Total</b>	<b>7,381.45</b>	<b>2,729.55</b>

7.1 Above Trade receivables are hypothecated to secured short term borrowings (Refer Note No. 17.1)

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>(I) Undisputed Trade Receivables – Considered Good</b>						
As at March 31 <sup>st</sup> , 2022	7,282.79	82.32	15.12	1.22	-	7,381.45
As at March 31 <sup>st</sup> , 2021	2,555.43	105.25	67.91	0.96	-	2,729.55
<b>Total Trade Receivables as at March 31<sup>st</sup>, 2022</b>	<b>7,282.79</b>	<b>82.32</b>	<b>15.12</b>	<b>1.22</b>	<b>-</b>	<b>7,381.45</b>
<b>Total Trade Receivables as at March 31<sup>st</sup>, 2021</b>	<b>2,555.43</b>	<b>105.25</b>	<b>67.91</b>	<b>0.96</b>	<b>-</b>	<b>2,729.55</b>

#### 8. CASH AND CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Cash on Hand	0.47	0.47
Balance with bank in Current Accounts	0.62	17.80
Fixed Deposit with Bank	-	-
<b>Total</b>	<b>1.09</b>	<b>18.27</b>

**8A. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Earmarked Balances with Banks for Unclaimed & Unpaid Dividends	0.25	0.09
Deposits with remaining maturity for less than 12 months	822.65	14.63
<b>Total</b>	<b>822.90</b>	<b>14.72</b>

8A.1 Fixed deposit more than 12 month maturity are disclosed under other financial assets (Note no.4)

**9. LOANS - CURRENT**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(Unsecured and Considered Good) Loan to Employee	15.50	8.21
<b>Total</b>	<b>15.50</b>	<b>8.21</b>

**10. OTHER CURRENT FINANCIAL ASSETS**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(Unsecured and Considered Good) Security Deposit	147.91	128.00
<b>Total</b>	<b>147.91</b>	<b>128.00</b>

**11. OTHER CURRENT ASSETS**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(Unsecured and Considered Good) Prepaid expenses	59.28	30.75
Advances to suppliers	628.73	83.92
Material in transit	28.63	-
GST Credit Receivables	3,276.63	1,930.61
<b>Total</b>	<b>3,993.27</b>	<b>2,045.28</b>

**12. Equity Share Capital**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Authorized Share Capital</b> 2,50,00,000( 31 <sup>st</sup> March,2021 - 2,50,00,000) Equity Shares of Rs.10/- each fully paid up	2,500.00	2,500.00
<b>Issued, Subscribed and Paid Up</b> 2,19,06,735( 31 <sup>st</sup> March 2021 - 2,19,06,735) Equity Shares of Rs. 10/- each fully paid up	2,190.67	2,190.67
<b>Total issued, subscribed and fully paid up share capital</b>	<b>2,190.67</b>	<b>2,190.67</b>

**i). Terms and Rights attached to Equity Shares**

Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

**ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
As at the beginning of the year	2,19,06,735.00	2,19,06,735.00
Add: Shares Issued during the year	-	-
As at the end of the year	2,19,06,735.00	2,19,06,735.00

**iii) Shares of the company held by holding company**

out of equity shares issued by the company, shares held by its holding company are as below:

Name of Shareholder	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Ostwal Phoschem (India) Limited, holding Company (Holds 1,42,51,554 Equity Shares of Rs.10/- each)	14251554	14251554

## iv) Details of shares held by shareholders holding more than 5% shares of the company

Name of Shareholder		As at 31 <sup>st</sup> March 2022	
		No. of Shares held	% of Holding
Ostwal Phoschem (India) Limited.		14251554	65.05%
Suswani Textiles Pvt. Ltd.		1433135	6.54%
Name of Shareholder		As at 31 <sup>st</sup> March 2021	
		No. of Shares held	% of Holding
Ostwal Phoschem (India) Limited.		14251554	65.05%
Suswani Textiles Pvt. Ltd.		1505340	6.87%
Visualize Tradecom Pvt. Ltd.		1120372	5.11%

v) The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## vi) Shareholding of Promoters

Share hold by Promoters at the end of the year	As at 31 <sup>st</sup> March 2022		% Change during the year
Promoter's Name	No. of Shares	% of Total Shares	
1.Shri Praveen Ostwal	332700	1.52	-
2.Shri Pankaj Ostwal	201015	0.92	-
3.Smt. Ekta Jain	661840	3.02	-
4.Pankaj Ostwal (HUF)	57120	0.26	-
5.Shri Mahendra Kumar Ostwal	8500	0.04	-
6.Smt. Nitu Jain	5000	0.02	-
7.Praveen Ostwal HUF	6000	0.03	-
8.Nirmala Realinfrastructure Private Limited	804132	3.67	-0.21%
9.Ostwal Phoschem (India) Limited	14251554	65.05	-

Share hold by Promoters at the end of the year	As at 31 <sup>st</sup> March 2021		% Change during the year
Promoter's Name	No. of Shares	% of Total Shares	
1.Shri Praveen Ostwal	332700	1.52	-
2.Shri Pankaj Ostwal	201015	0.92	-
3.Smt. Ekta Jain	661840	3.02	-
4.Pankaj Ostwal (HUF)	57120	0.26	-
5.Shri Mahendra Kumar Ostwal	8500	0.04	-
6.Smt. Nitu Jain	5000	0.02	-
7.Praveen Ostwal HUF	6000	0.03	-
8.Nirmala Realinfrastructure Private Limited	849800	3.88	-
9.Ostwal Phoschem (India) Limited	14251554	65.05	-

## 13. Other Equity

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Securities Premium</b>		
Balance at the beginning of the year	1,686.52	1,686.52
Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>1,686.52</b>	<b>1,686.52</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	11,070.84	9,156.00
Add: Net Profit/(Net Loss) For the current year	5,702.04	2,024.19
Less: Appropriations		
Transferred to General Reserve	-	-
Due to Reversal of Lease Assets & Liability	-	0.18
Dividend On Equity Shares	109.53	109.53
Tax On Dividend		
<b>Balance at the end of the year</b>	<b>16,663.35</b>	<b>11,070.84</b>
<b>Other Comprehensive Income</b>		
Remeasurement of defined benefit plans		
Balance at the beginning of the year	(12.02)	2.59
Addition during the year	3.19	(14.61)
<b>Balance at the end of the year</b>	<b>(8.83)</b>	<b>(12.02)</b>
<b>Total</b>	<b>18,341.04</b>	<b>12,745.34</b>

## Nature and Purpose of Other Reserves / Other Equity

## 13.1 Securities Premium Reserve

Balance of Security premium reserve consist of premium on issue of share over its face value. The balance will be utilized for issue of fully paid bonus shares, buy-back of its own share as per provisions of the Companies Act, 2013.

## 13.2 Dividend

The following dividends were declared and paid by the Company during the year.

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Final Dividend for the year ended 31 <sup>st</sup> March, 2021 (0.50 Rs. per share )	109.53	
Final Dividend for the year ended 31 <sup>st</sup> March, 2020 (0.50 Rs. Per share)		109.53
<b>Total</b>	<b>109.53</b>	<b>109.53</b>



**14. BORROWINGS- NON CURRENT**
**(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Secured</b>		
<b>Term Loan From Banks</b>		
Rupee Loans	3,237.06	4,135.59
<b>Total</b>	<b>3,237.06</b>	<b>4,135.59</b>

**a) In respect of Secured Term Loan**

**i) Nature of Security** – The term loans from HDFC Bank by way of 1st charge in the form of mortgage of assets of the company's immovable properties at Banda Unit and Rajoua Unit Dist Sagar, (MP) owned by the company.

**ii) Terms of repayment** – Term loans from HDFC Bank Ltd. & Axis Bank Ltd are repayable in monthly installments and having fixed interest rate @ 8.25% - 7.00% respectively.

**(Rs. in lakhs)**

Name of Banks	Date of Maturity	No. of Instalments outstanding as on 31.03.2022	As at 31 <sup>st</sup> March 2022		
			Total Outstanding	Current Maturities	Net Long Term Borrowings
<b>HDFC Bank Ltd.&amp; Axis Bank Car Loan</b>		49	4171.91	934.85	3237.06
HDFC Bank Ltd. (Term Loan of Rs. 22.92 crore) @7.75%	07th June 2025	39	1180.25	337.49	842.76
HDFC Bank Ltd. (Term Loan of Rs. 30.00 crore) @7.75%	07th Feb 2027	59	2599.21	451.82	2147.39
HDFC Bank Ltd. (Term Loan of Rs. 4.32 crore) @8.25%	07th Aug 2024	29	356.13	138.84	217.29
Axis Bank Limited (Term loan of Rs. 38 Lakh) @7.00%	01st Dec 2026	57	36.32	6.70	29.62
<b>Total</b>			<b>4,171.91</b>	<b>934.85</b>	<b>3,237.06</b>

**(Rs. in lakhs)**

Name of Banks	Date of Maturity	No. of Instalments outstanding as on 31.03.2021	As at 31 <sup>st</sup> March 2021		
			Total Outstanding	Current Maturities	Net Long Term Borrowings
HDFC Bank Ltd. (Term Loan of Rs. 22.92 crore)	07th June 2025	51	1,492.65	312.40	1,180.25
HDFC Bank Ltd. (Term Loan of Rs. 30.00 crore)	07th Feb 2027	71	3,013.11	413.90	2,599.22
HDFC Bank Ltd. (Term Loan of Rs. 4.32 crore)	07th Aug 2024	41	432.00	75.87	356.13
<b>Total</b>			<b>4,937.76</b>	<b>802.17</b>	<b>4,135.59</b>

**iii) Guarantors** - Secured loans are guaranteed by personal guarantee of Sh.Pankaj Ostwal (Managing Director) and Sh.Mahendra Kumar Ostwal, Sh. Praveen Ostwal, Director.

**15. LEASE LIABILITIES**
**(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Lease liability (Non current)	10.72	10.93
Lease liability (Current)	0.21	0.19
<b>Total</b>	<b>10.93</b>	<b>11.12</b>

# 16. DEFERRED TAX LIABILITIES (NET)

(Rs. in lakhs)

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for the financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:-

Particulars	Defined benefit obligation	Property, plant and equipment	Provisions & others loss adjustment	MAT credit entitlement	Total
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>1.80</b>	<b>993.74</b>	<b>(3.79)</b>	<b>(805.77)</b>	<b>185.97</b>
(Changed)/Credited:					
- to Statement of profit and loss	0.61	(157.04)	(6.60)	494.49	331.45
- to other comprehensive income	(6.00)				(6.00)
- to current tax liability					
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>(3.59)</b>	<b>836.70</b>	<b>(10.39)</b>	<b>(311.29)</b>	<b>511.42</b>
(Changed)/Credited:					
- to Statement of profit and loss	(0.86)	1885.95	(4.57)	(887.44)	993.09
- to other comprehensive income	1.31				1.31
- to current tax liability					
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>(3.14)</b>	<b>2722.64</b>	<b>(14.96)</b>	<b>(1198.72)</b>	<b>1505.82</b>

## B. Income tax recognised in profit or loss

(Rs. in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Current Tax	1422.74	501.91
Deferred Tax	993.09	331.46
<b>Total income tax recognised for the year</b>	<b>2415.83</b>	<b>833.37</b>

## C. Income tax recognised in other comprehensive income

(Rs. in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Remeasurement of defined benefit obligation	1.31	6.00
<b>Total income tax recognised in other comprehensive income</b>	<b>1.31</b>	<b>6.00</b>

## D. The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Net Profit as per Statement of Profit and Loss (before tax)	8117.87	2857.56
Applicable Tax Rate	29.12%	29.12%
Computed Tax Expense	2363.92	832.12
<b>Tax effect of :</b>		
Items Considered Separately	(2.29)	(1.68)
The amount of eligible / ineligible expenditure	409.95	169.56
35AD Deduction	(2243.26)	0.00
MAT Adjustment	894.41	(498.09)
<b>Current Tax Provision (Net of MAT Credit) (A)</b>	<b>1422.74</b>	<b>501.91</b>
Incremental Deferred Tax Liability on account of Tangible Assets	993.09	331.46
<b>Deferred Tax Provision (B)</b>	<b>993.09</b>	<b>331.46</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>2415.83</b>	<b>833.37</b>
<b>Effective Tax Rate</b>	<b>29.76%</b>	<b>29.16%</b>

**17. BORROWINGS – CURRENT****(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>a) Secured</b>		
<b>Loans Repayable On Demand From Banks</b>		
Working Capital -HDFC Bank Ltd.	3,425.58	955.01
Working Capital -Axis Bank Ltd.	5,188.46	
<b>Credit Facility From Bank-Short Term ( SBLC Buyer Credit)</b>	3,521.71	
<b>b) Current Maturities of Long Term Debt</b>	934.85	802.17
<b>c) Unsecured Loan :</b>		
<b>from Promoter &amp; Relatives</b>		
Unsecured Loan-From Inter Corporate	-	1,128.28
Unsecured Loan From Directors	58.85	
<b>Total</b>	<b>13,129.45</b>	<b>2,885.46</b>

17.1 for transactions with related party ,refer note no. 35.

i)**Nature of Security** – The advance shall be secured by 1st pari-pasu charge by HDFC Bank LTD & Axis Bank Ltd on Company's movable assets like Inventory's, Book Debts Etc. of Unit-I & Unit II including movable plant and machinery, machinery spares, tools and accessories, furnitur, fixture, vehicles, and all other movable assets present and future, intangible, goodwill, uncalled capital, present and future.

ii)**Terms of repayment** – The bank loan for working capital is repayable on demand and having interest rate for HDFC Bank & Axis Bank @ 7.00% & 6.75% respectively as on 31/03/2022

iii)The bank loan for working capital is guaranteed by personal guarantee of Sh.Pankaj Ostwal(Managing Director) and Sh.Mahendra Kumar Ostwal,Sh.Praveen Ostwal

**18. TRADE PAYABLES****(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Trade Payable - Due to Mircro and Small Enterprises	28.42	89.42
Trade payable Due to others	3,562.15	2,082.15
<b>Total</b>	<b>3,590.57</b>	<b>2,171.57</b>

Additional Note:-

18.1 The Government of India has promulgated an act namely “The Micro, Small & Medium Enterprises Development Act 2006” which comes into force with effect from October,2 2006. As per The Act, the Company is required to identify the Micro & Small Enterprises & Pay them interest on overdue beyond the specified period irrespective of the terms agreed with the enterprises. The Company has initiated the process of identification of such suppliers. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Trade payables ageing schedule for the year ended as on March 31<sup>st</sup>, 2022 and March 31<sup>st</sup>, 2021:**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>(I) MSME</b>					
As at 31 <sup>st</sup> March 2022	28.42	-	-	-	28.42
As at 31 <sup>st</sup> March 2021	89.42	-	-	-	89.42
<b>(II) Others</b>					
As at 31 <sup>st</sup> March 2022	3,560.19	1.79	-	0.17	3,562.15
As at 31 <sup>st</sup> March 2021	2,077.98	4.17	-	-	2,082.15
<b>Total trade payables As at 31<sup>st</sup> March 2022</b>	<b>3,588.61</b>	<b>1.79</b>	<b>-</b>	<b>0.17</b>	<b>3,590.57</b>
<b>Total trade payables As at 31<sup>st</sup> March 2021</b>	<b>2,167.40</b>	<b>4.17</b>	<b>-</b>	<b>-</b>	<b>2,171.57</b>

18.2 The balance outstanding with sundry creditors either debit or credit are subject to confirmation and reconciliation

18.3 for transactions with related party, Refer Note No. 35

**19. OTHER CURRENT FINANCIAL LIABILITIES****(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Unpaid Dividends #	0.25	0.09
Liability Towards Staff & Workers	115.09	96.24
Security Deposits from Dealers	78.00	42.25
Liability for Expenses	44.60	36.21
Trade Payable (Sundry Creditors) for capital goods	156.65	273.22
<b>Total</b>	<b>394.59</b>	<b>448.01</b>

# There is no overdue amount to be credited to investor education &amp; protection fund.

**20. OTHER CURRENT LIABILITIES****(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Statutory dues	43.20	47.25
Advance from customers	1,423.81	1,219.86
<b>Total</b>	<b>1,467.01</b>	<b>1,267.11</b>

**21. PROVISIONS****(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
For employee benefits- Leave Encashment - Non Current	21.67	15.46
Leave Encashment - Current	4.68	2.60
<b>Total</b>	<b>26.35</b>	<b>18.06</b>

**22. CURRENT TAX LIABILITIES (NET)****(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Provision for taxation (Net of advance tax)	10.28	56.76
<b>Total</b>	<b>10.28</b>	<b>56.76</b>

**23. REVENUE FROM OPERATIONS****(Rs. in lakhs)**

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
a) Sale of Products	28,346.16	13,110.24
b) Government Subsidies	20,802.79	5,461.15
<b>Total</b>	<b>49,148.95</b>	<b>18,571.39</b>

**24. OTHER INCOME****(Rs. in lakhs)**

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Interest on Govt. deposit	14.81	5.82
Net Gain/(Loss) on Foreign Currency Fluctuation	-	4.34
Profit on sale of Property ,Plant ,Equipment(Net)	-	2.43
Miscellaneous balance W/off	1.79	2.60
Rent Income	0.35	-
Others	8.90	0.19
<b>Total</b>	<b>25.85</b>	<b>15.38</b>

**25. COST OF MATERIALS CONSUMED****(Rs. in lakhs)**

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Opening Stock	2,415.19	789.50
Add: Purchases	38,826.84	11,007.33
Less: Closing Stock	6,881.69	2,415.19
<b>Total</b>	<b>34,360.34</b>	<b>9,381.64</b>

**26. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE****(Rs. in lakhs)**

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Stock at the beginning of the year (A)	2,591.01	2,250.29
Stock at the end of the year (B)	8,266.59	2,591.01
<b>(Increase)/Decrease in stocks (B-A)</b>	<b>(5,675.58)</b>	<b>(340.72)</b>

**27. EMPLOYEE BENEFITS EXPENSE**

(Rs. in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Salaries, Bonus and allowances	1,694.46	1,083.11
Contribution to Provident Fund & ESI	38.69	26.39
Gratuity Fund contribution	14.07	6.65
Staff welfare expenses	28.15	18.68
<b>Total</b>	<b>1,775.37</b>	<b>1,134.83</b>

**28. FINANCE COST**

(Rs. in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Term Loan Interest	296.36	269.49
Working Capital Interest	162.42	58.26
Interest on lease liabilities	0.87	0.89
Interest other than bank & lease interest	197.33	41.89
Bank Charges	97.00	9.60
<b>Total</b>	<b>753.98</b>	<b>380.13</b>

**29. DEPRECIATION AND AMORTISATION EXPENSE**

(Rs. in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Depreciation on Tangible Assets	1,739.60	863.84
Depreciation on Right of Use Assets	73.36	73.36
<b>Total</b>	<b>1,812.96</b>	<b>937.20</b>

**30. OTHER EXPENSES**

(Rs. in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Manufacturing Expenses</b>		
Consumption of Stores & Spares parts	2,011.80	755.11
Power & Fuel	1,032.03	641.81
Repairs & Maintenance to Plant & Machinery	131.63	32.35
Other manufacturing expenses	698.09	331.52
<b>Sub Total</b>	<b>3,873.55</b>	<b>1,760.79</b>
<b>Administration Expenses</b>		
Repairs to Building	67.71	3.85
Insurance	59.07	34.99
<b>Auditors' Remuneration :</b>		
Statutory Audit Fess	1.50	1.50
CSR Expenses	45.14	30.72
Travelling Expenses	73.27	51.94
Veical Runnig & Maintance Expenses	29.15	7.09
Consultancy Charges	21.33	24.37
Office Expense	79.10	41.29
Miscellaneous Expenditure	107.11	84.08
<b>Sub Total</b>	<b>483.38</b>	<b>279.83</b>
<b>Selling &amp; Distribution Expenses</b>		
Freight & Transport	3,516.35	2,075.61
Advertisement & Business Promotion Expenses	8.96	5.70
Godown Rent	33.77	26.14
Discount Allowed	113.85	88.06
<b>Sub Total</b>	<b>3,672.93</b>	<b>2,195.51</b>
<b>Grand Total</b>	<b>8,029.86</b>	<b>4,236.13</b>

**31. OTHER COMPREHENSIVE INCOME**

(Rs. in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of Defined Benefit Plans	4.50	(20.62)
Tax relating to remeasurement of defined benefits plans	(1.31)	6.00
<b>Total</b>	<b>3.19</b>	<b>(14.62)</b>

**32. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT****I. The carrying value of financial instruments by categories are as follows:****(Rs. In Lakhs)**

Particulars	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2021		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets</b>						
Other Non-Current Financial Assets	-	-	183.95	-	-	135.65
Trade Receivables	-	-	7381.45	-	-	2729.55
Cash and Cash equivalents	-	-	823.99	-	-	32.99
Loans	-	-	15.50	-	-	8.21
Other Current Financial Assets	-	-	147.91	-	-	128.00
<b>Total Financial Assets</b>	-	-	<b>8552.80</b>	-	-	<b>3034.40</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	3237.06	-	-	4135.59
Lease Liability	-	-	10.93	-	-	11.12
Short Terms Borrowings	-	-	13129.45	-	-	2885.46
Trade Payables						
(A) Total outstanding dues of micro enterprises and small enterprises	-	-	28.42	-	-	89.42
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3562.15	-	-	2082.15
Other Current Financial Liabilities	-	-	394.59	-	-	448.01
<b>Total Financial Liabilities</b>	-	-	<b>20362.60</b>	-	-	<b>9651.75</b>

**II. Financial risk management****The Company has exposure to the following risks arising from financial instruments:**

- credit risk;
- liquidity risk; and
- Market risk

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### ii. **Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for trade receivables and financial guarantees for dealers, derivative financial instruments and other financial assets.

The Company assess the counter party before entering into transactions and wherever necessary supplies are made against advance payment. The Company on continuous basis monitor the credit limit of the counter parties to mitigate or minimise the credit risk.

The carrying amount of following financial assets represents the maximum credit exposure:

#### **Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

Based on the credit aging of individual customer, the management considers that no provision on such receivables has been recognised as on the reporting date.

### iii. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans and inter corporate loans.

# NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

## Exposure to liquidity risk

### a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

(Rs. In Lakhs)

Particulars	Carrying Amount		Contractual cash flows		
	As at 31 <sup>st</sup> March 2022	Total	Within 1 Year	1–5 years	More than 5 years
<b>Financial Liabilities</b>					
Borrowings	3237.06	3237.06	-	3237.06	-
Lease Liability	10.93	10.93	-	-	10.93
Short Terms Borrowings	13129.45	13129.45	13129.45	-	-
Trade Payables					
(A) Total outstanding dues of micro enterprises and small enterprises	28.42	28.42	28.42	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	3562.15	3562.15	3560.19	1.96	-
Other Current Financial Liabilities	394.59	394.59	394.59	-	-
<b>Total Financial Liabilities</b>	<b>20362.60</b>	<b>20362.60</b>	<b>17112.65</b>	<b>3239.02</b>	<b>10.93</b>
Particulars	Carrying Amount		Contractual cash flows		
	As at 31 <sup>st</sup> March 2021	Total	Within 1 Year	1–5 years	More than 5 years
<b>Financial Liabilities</b>					
Borrowings	4135.59	4135.59	-	4135.59	-
Lease Liability	11.12	11.12	-	-	11.12
Short Terms Borrowings	2885.46	2885.46	2885.46	-	-
Trade Payables					
(A) Total outstanding dues of micro enterprises and small enterprises	89.42	89.42	89.42	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2082.15	2082.15	2082.15	-	-
Other Current Financial Liabilities	448.01	448.01	448.01	-	-
<b>Total Financial Liabilities</b>	<b>9651.75</b>	<b>9651.75</b>	<b>5505.04</b>	<b>4135.59</b>	<b>11.12</b>

### iv. Market risk

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



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

### Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials. When a derivative is entered for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The exposure of the Company's financial liabilities to interest rate risk based on liabilities as at reporting date is as follows:

Particulars	Impact on profit before tax	
	2021-22	2020-21
Increase in interest rate by 100 basis points	(61.44)	(42.29)
Decrease in interest rate by 100 basis points	61.44	42.29

### Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations of raw materials prices linked to various external factors, which can affect the production cost of the Company. Company actively manages inventory and in many cases sale prices are linked to major raw material prices. To manage this risk, the Company enters into long-term supply agreement for Raw Material, identifying new sources etc. Additionally, processes and policies related to such risks are reviewed and managed by senior management on continuous basis.

## 33. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio, which is calculated by dividing Net Debt from the Equity. The Company includes within Net Debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance) and under Equity, the Equity Share Capital plus other Equity (excluding Preference Share Capital) is considered:

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

(Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
Gross Debt	16366.51	7021.05
Less: Cash & Cash Equivalents	823.99	32.99
<b>Net Debt (A)</b>	<b>15542.52</b>	<b>6988.06</b>
<b>Total Equity (B)</b>	<b>20531.71</b>	<b>14936.01</b>
<b>Gearing Ratio (A/B)</b>	<b>0.76</b>	<b>0.47</b>

**34. CONTINGENT LIABILITIES:**

**1. Claims against the company not acknowledged as debt**

Particulars	2021-22 (in lakhs)	2020-21 (in lakhs)
a. Demand raised by commercial tax department for Entry tax for the F.Y.2012-13	3.72	3.72

**35. DISCLOSURE OF RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"**

**A. Details of related parties**

<b>Parent</b>	Ostwal Phoschem (India) Ltd.
<b>Key Managerial Personnel</b>	Shri Pankaj Ostwal (Managing Director) Shri Sourabh Gupta (Whole Time Director & Chief Financial Officer) Ms. Pallavi Sukhwai (Company Secretary & Compliance Officer)
<b>Non-Executive Director/ Independent Director</b>	Shri Mahendra Kumar Ostwal Shri Praveen Ostwal Shri Bheru Lal Ostwal Shri Arvind Kothari Shri Paras mal Surana Smt. Shruti babel
<b>Where persons mentioned in (b) exercise significant influence</b>	Krishana Phoschem Ltd. Ostwal Phoschem (India) Ltd. Nirmala Realinfrastructure Private Limited Seasons International Private Limited Shri Ganpati Fertilizers limited
<b>Relatives of Key Managerial Personnel (KMP)</b>	Mrs. Nitu Ostwal Mrs. Ekta Jain
<b>Other Related Parties</b>	M.K. Ostwal HUF (Karta is director) Pankaj Ostwal HUF (Karta is director) Praveen Ostwal HUF (Karta is director)

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

**B. Transactions with the related parties**

(Rs. In Lakhs)

Sr. No.	Particulars	2021-22	2020-21
<b>1.</b>	<b>Purchase of goods</b>		
	Ostwal Phoschem (India) Ltd.	2394.83	2268.28
	Krishana Phoschem Ltd.	7472.62	1538.50
	Seasons International Private Limited	347.51	-
	Shri Ganpati fertilizers Ltd.	-	6.39
<b>2.</b>	<b>Sale of goods</b>		
	Ostwal Phoschem (India) Ltd.	992.68	121.63
	Krishana Phoschem Ltd.	3105.12	755.25
	Shri Ganpati Fertilizers Ltd	961.20	-
<b>3.</b>	<b>Rent paid</b>		
	Ostwal Phoschem (India) Ltd.	0.12	0.12
<b>4.</b>	<b>Interest paid to</b>		
	Krishana Phoschem Ltd.	95.14	30.57
	Ostwal Phoschem (India) Ltd.	42.64	-
	Seasons International Private Limited	0.77	-
<b>5.</b>	<b>Insurance paid for</b>		
	<b>(i) Key Managerial Personnel</b>		
	Shri Pankaj Ostwal	1.33	1.33
<b>6.</b>	<b>Compensation paid to Key Managerial Personnel:</b>		
	<b>Remuneration</b>		
	<b>(1) Short-term employment benefits / Salary</b>		
	<b>(i) Key Managerial Personnel</b>		
	Shri Pankaj Ostwal	144.02	51.02
	Shri Sourabh Gupta	10.67	8.55
	Ms. Pallvi Sukhwai	3.76	3.35
	<b>(2) Commission</b>		
	Shri Pankaj Ostwal	-	47.00
<b>7.</b>	<b>Dividend Paid</b>		
	Ostwal Phoschem (India) Ltd.	71.26	71.26
	Seasons Agro Chem india Private Limited	0.00	0.00
	Nirmala realinfrastructure Private Limited	4.25	4.50
	Shri Praveen Ostwal	1.66	1.66
	Shri Pankaj Ostwal	1.01	1.01
	Shri Mahendra Kumar Ostwal	0.04	0.04
	Shri Bheru lal Ostwal	0.25	0.27
	Shri Arvind Kothari	0.06	0.06
	Mrs. Nitu Ostwal	0.03	0.03
	Mrs. Ekta jain	3.31	3.31

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022**

	Pankaj ostwal (karta of pankaj Ostwal HUF)	0.29	0.29
	Praveen Ostwal (Karta of praveen Ostwal HUF)	0.03	0.03
<b>8.</b>	<b>Transaction with Non- executive Director:</b>		
	Remuneration/Commission		
	Shri Mahendra Kumar Ostwal	0.00	18.00
<b>9.</b>	<b>Loan Taken From :</b>		
	Krishana Phoschem Ltd.	605.00	1100
	Ostwal Phoschem (India) Ltd.	3443.00	-
	Seasons International Private Limited	150.00	-
<b>10.</b>	<b>Repayment against loan received</b>		
	Krishana Phoschem Ltd.	1733.28	-
	Ostwal Phoschem (India) Ltd.	3443.00	-
	Seasons International Private Limited	150.00	
All related party contracts / arrangements have been entered on arms' length basis.			

**C. Amount due to/from related parties:**

**(Rs. In Lakhs)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
	<b>OUTSTANDING AT THE YEAR END</b>		
<b>1</b>	<b>Trade Payable</b>		
	Ostwal Phoschem (India) Ltd.	-	287.80
	Krishana Phoschem Ltd.	1820.05	624.99
	Seasons International Private Limited	184.79	-
<b>2</b>	<b>Loan taken</b>		
	Shri Pankaj Ostwal	58.85	
	Krishana Phoschem Ltd.	-	1128.28
<b>3</b>	<b>Compensation payable to Key Managerial Personnel as on 31.03.2022 &amp; 31.03.2021</b>		
	Shri Pankaj Ostwal	13.85	13.85
	Shri Sourabh Gupta	0.67	0.51
<b>4</b>	<b>Compensation payable to Non-Executive Director as on 31.03.22 &amp; 21</b>		
	Shri Mahendra Kumar Ostwal	-	11.50

### 36. SEGMENT REPORTING

(Rs. In Lakhs)

Particulars	Business Segments				Total	
	Fertilizer		Chemicals			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue						
Turnover	45,892.15	17255.24	3,256.80	1316.15	49,148.95	18571.39
Segment Result						
Segment Profit	6,750.94	3056.28	2095.06	166.03	8,846.00	3222.31
Unallocated Finance charges					753.98	380.13
Unallocated expenses					-	-
Unallocated Income					25.85	15.38
Profit before tax					8,117.87	2857.56
Income tax (net)					2,415.83	833.37
Profit after tax					5,702.04	2024.19
Other Information						
Segment assets	35,107.85	24337.42	8,795.92	2103.69	43,903.77	26441.11
Unallocated other assets						
Total assets	35,107.85	24337.42	8,795.92	2103.69	43,903.77	26441.11
Segment liabilities	6863.54	8723.72	1862.97	129.91	8726.51	8853.63
Unallocated other liabilities					14645.55	2651.47
Total liabilities	6863.54	8723.72	1862.97	129.91	23372.06	11505.10
Capital Expenditure	3,538.17	1162.41	5,071.53	-	8,609.70	1162.41
Depreciation	1,062.07	653.71	750.89	283.49	1,812.96	937.20

### 37. CORPORATE SOCIAL RESPONSIBILITIES (CSR)

(Rs. In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Amount required to be spent by the company during the year	44.58	30.55
Amount of expenditure incurred	45.14	30.72
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Eradication of hunger and malnutrition, Promoting gender	

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

	equality, empowering women, promoting education, healthcare, environment sustainability	
Details of related party transactions, e.g. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard(1)		1.50
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

(1) Represents contribution to Nirmala Devi Seva Santhan a controlled trust to support the social activity.

### 38. EMPLOYEE BENEFITS

#### (a) Defined Contribution Plans:

The Company has recognized the following amounts in the Statement of Profit and Loss which are included under Contribution to Provident and other funds;

Particulars		For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
i)	Employers Contribution to Provident Fund	38.69	26.39

#### (b) Defined Benefit Plan:

##### Gratuity

The Company makes payment to vested employees as per provisions of Payment of Gratuity Act, 1972. The provision of Gratuity Liability as on the Balance Sheet date is done on actuarial valuation basis for qualifying employees, however the same is not funded to any trust or scheme. The present value of the Defined Benefits obligation and the related current service cost is measured using the Projected Unit Credit Actuarial Method at the end of Balance Sheet date by the Actuary.

##### Leave Encashment

The Company provides benefit of leave encashment to its employees as per defined rules. The provision for liability for leave encashment as on date of Balance Sheet is recognised on the basis of Actuarial certificate.

(Rs. In Lakhs)					
Particulars		For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
A)	Changes in Defined Benefit Obligations :-	Gratuity	Earned Leave	Gratuity	Earned Leave
	a) Defined Benefit Obligation at the beginning of the year	62.82	18.06	33.17	5.03
	b) Interest Cost	3.89	0.97	2.40	0.32
	c) Current Service Cost	13.00	13.55	6.63	4.87
	d) Benefits paid	(2.46)	(5.46)	0.00	(0.68)
	e) Actuarial (Gain)/Loss on Obligation	(4.11)	(0.75)	20.62	8.52
	<b>Present value of obligation at the end of year</b>	<b>73.14</b>	<b>26.36</b>	<b>62.82</b>	<b>18.06</b>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

Particulars		For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
<b>B)</b>	<b>Change in Fair Value of Plan Assets during the year :-</b>	<b>Gratuity</b>	<b>Earned Leave</b>	<b>Gratuity</b>	<b>Earned Leave</b>
	a) Plan Assets at the beginning of the year	50.48	0.00	39.34	0.00
	b) Adjustment to Opening Fair Value of Plan Asset	0.07	0.00	0.00	0.00
	c) Expected Return on Plan Assets	3.45	0.00	3.14	0.00
	d) Actuarial Gain/(Loss) on Assets	0.39	0.00	0.00	0.00
	e) Employer's contribution	10.43	5.46	8.00	0.68
	f) Benefits Paid	(2.46)	(5.46)	0.00	(0.68)
	<b>Fair Value of the plan assets at the end of the year</b>	<b>62.36</b>	<b>0.00</b>	<b>50.48</b>	<b>0.00</b>

Particulars		For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
<b>C)</b>	<b>Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets</b>	<b>Gratuity</b>	<b>Earned Leave</b>	<b>Gratuity</b>	<b>Earned Leave</b>
	a) Present value of defined benefit obligation at end of the year	73.14	26.36	62.82	18.06
	b) Fair value of plan assets at end of the year	62.36	0.00	50.48	0.00
	<b>Funded status Surplus/(Deficit)</b>	<b>(10.78)</b>	<b>(26.36)</b>	<b>(12.34)</b>	<b>(18.06)</b>

Particulars		For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
<b>D)</b>	<b>Expenses recognized in the Statement of Profit and Loss</b>	<b>Gratuity</b>	<b>Earned Leave</b>	<b>Gratuity</b>	<b>Earned Leave</b>
	a) Current Service Cost	13.00	13.55	6.63	4.87
	b) Net Interest Cost	0.45	0.97	(0.74)	0.32
	b) Actuarial (Gain) / Loss	0.00	(0.75)	20.62	8.52
	<b>Expenses recognized in the Statement of Profit and Loss</b>	<b>13.45</b>	<b>13.77</b>	<b>26.51</b>	<b>13.71</b>

Particulars		For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
<b>E)</b>	<b>Expenses recognized in the Other Comprehensive Income (OCI)</b>	<b>Gratuity</b>	<b>Earned Leave</b>	<b>Gratuity</b>	<b>Earned Leave</b>
	a) Actuarial (gain)/loss arising from changes in demographic assumption	0.00	0.00	(4.97)	0.00
	b) Actuarial (gain)/loss arising from changes in financial assumption	(5.57)	0.00	10.43	0.00
	c) Actuarial (gain)/loss arising on account of experience changes	1.46	0.00	15.15	0.00
	d) (Gain)/ Loss on plan assets less interest on plan assets	(0.39)	0.00	0.00	0.00
	<b>Expenses recognized in the Statement of Other Comprehensive Income</b>	<b>(4.50)</b>	<b>0.00</b>	<b>20.62</b>	<b>0.00</b>

<b>F)</b>	<b>Investment details - Plan assets:-</b>	<b>For the year ended 31<sup>st</sup> March 2022</b>	<b>For the year ended 31<sup>st</sup> March 2021</b>
	LIC- Administrator of the plan fund	62.36	50.48

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

G)	The assumptions used in Actuarial Valuation:-	For the year ended 31 <sup>st</sup> March 2022		For the year ended 31 <sup>st</sup> March 2021	
	<b>1. Financial Assumptions used in determining the Defined Benefit Obligation</b>	<b>Gratuity</b>	<b>Earned Leave</b>	<b>Gratuity</b>	<b>Earned Leave</b>
	A) Discount rate (per annum)	7.10%	7.10%	6.32%	6.32%
	B) Salary escalation rate (per annum)	7.00%	7.00%	7.00%	7.00%
	<b>2. Demographic Assumptions used to determine the Defined Benefit Obligation</b>				
	A) Retirement Age	60 Years		60 Years	
	B) Mortality Table	IALM (2012-2014)		IALM (2012-2014)	
	C) Employee Turnover/Attrition Rate	5.00%		5.00%	

H)	Sensitivity Analysis:-	For the year ended 31 <sup>st</sup> March 2022			
		Gratuity		Earned Leave	
		Increase	Decrease	Increase	Decrease
	Discount rate (1% movement)	66.99	80.42	24.21	28.92
	Expected rate of future salary increase (1% movement)	80.17	67.09	28.83	24.25

I)	Maturity Profile of Defined Benefit Obligation:-	For the year ended 31 <sup>st</sup> March 2022	
		Gratuity	Earned Leave
	Within 1 Year	9.58	4.68
	1-5 Years	24.04	8.94
	Beyond 5 Years but up to 10 Years	21.52	6.68

1. The Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9.23 Years.
2. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method.

**J) Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows –

- Salary Increases: - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk: - If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate: - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability: - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals: - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



**39. EARNINGS PER SHARE (EPS)**

(Rs. In Lakhs)

Particulars		2021-22	2020-21
i)	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹ In Lakhs	5,702.04	2,024.19
ii)	Weighted Average Number of Equity Shares used as denominator for calculating EPS	2,19,06,735	2,19,06,735
iii)	Basic and Diluted Earning per Share (₹)	26.03	9.24
iv)	Face Value per Equity Share (₹)	10	10

**40. Estimation of uncertainties relating to the global health due to pandemic COVID-19:**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenue recognition owing to changes in cost budgets of fixed price contracts. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

**41. MSME Disclosure**

(Rs. In Lakhs)

Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :		
Particulars	As at March 31 <sup>st</sup> , 2022	As at March 31 <sup>st</sup> , 2021
Principal amount due	28.42	89.42
Interest due on above	-	-
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the period	-	-
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 small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

**Note:** The above information and that given in Note No. 18 'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

**42. Additional Regulatory Information:**

- i. The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- ii. The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
- iii. No loans are outstanding to the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- iv. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- v. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts.
- vi. The Company have not been declared wilful defaulter by any bank or financial institution or other lender.
- vii. The Company do not have any transactions with companies struck off.
- viii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- x. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- xi. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- xii. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- xiii. The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- xiv. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xv. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

### xvi. Ratios:

The following are analytical ratios for the year ended March 31<sup>st</sup>, 2022 and March 31<sup>st</sup>, 2021

Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	Deviation
<b>(a) Current Ratio</b>	Current Assets	Current Liability	1.51	1.50	0.66%
<b>(b) Debt-Equity Ratio</b>	Total Debts (1)	Shareholders fund	0.80	0.47	70.21%
<b>(c) Debt Service Coverage Ratio</b>	Earnings available for debt service (2)	Debt Service	7.10	6.45	10.08%
<b>(d) Return on Equity Ratio</b>	Net Profits after taxes	Average Shareholder's Equity	32.15%	15.70%	104.78%
<b>(e) Inventory turnover ratio,</b>	COGS	Average Inventory	4.14	3.07	34.85%
<b>(f) Trade Receivables turnover ratio,</b>	Revenue	Average Trade Receivable	8.82	4.58	92.58%
<b>(g) Trade payables turnover ratio,</b>	Purchases	Average Trade Payables	11.68	4.20	178.10%
<b>(h) Net capital turnover ratio,</b>	Revenue	Working Capital	5.17	5.43	(4.79%)
<b>(i) Net profit ratio,</b>	Net Profit	Revenue	11.60%	10.90%	6.42%
<b>(j) Return on Capital employed,</b>	Earning before interest and taxes	Capital Employed (3)	37.31%	18.03%	106.93%

1). Total Debts represents long term debts & Short Term Debts including current maturities of long term borrowing ,lease liability & SBLC

2). Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

3). Tangible net worth + deferred tax liabilities + Lease Liabilities + Long term debts including current maturities.

### Explanation for variances exceeding 25%:

- a). Debt-Equity Ratio increased due to enhancement in working capital limit to meet increased operation.
- b). Inventory Turnover Ratio increased due better inventory management.
- c). Trade Receivable turnover ratio increased due to better management of debtors.
- d). Trade payables turnover ratio increased due to reduction in credit purchase with availability of bank fund.
- e). Return on equity & Return on capital employed increased due to better performance of company.

**43. Details of Production & Sales:**

(Rs. In Lakhs)

S. No.	Products	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
		Qty(MT)	Value	Qty(MT)	Value
<b>i)</b>	<b><u>Production</u></b>				
	Beneficiated Rock Phosphate	81,522.32		80,899.82	
	Phosphate Rich Organic Manure (PROM) & Potash	29,586.15		18,745.00	
	Single Super Phosphate-(Powder+ Granular)	1,84,967.35		1,73,461	
	Sulphuric Acid , Oleum & other products	88,576.28		41,511.05	
	Di-ammonium Phosphate (DAP)	3,340.620		-	
	Nitrogen, phosphorus and potassium (NPK)	34,899.99		-	
	Phosphoric Acid	9,072.06		-	
<b>ii)</b>	<b><u>Sales</u></b>				
	Beneficiated Rock Phosphate	0	0.00	1,073.80	59.06
	Phosphate Rich Organic Manure (PROM) & Potash	32,293.25	3029.01	16,546.55	1426.27
	Single Super Phosphate-(Powder+ Granular)	1,78,528.15	25,674.25	1,80,688.75	15,563.72
	Sulphuric Acid , Oleum & other products	23,404.14	1,816.20	13,400.97	741.32
	Di-ammonium Phosphate (DAP)	2,426.50	1,342.62	-	-
	Nitrogen, phosphorus and potassium (NPK)	29,300.95	11,406.75	-	-
	Phosphoric Acid	73.504	74.19	-	-
	Other sale include trading sale, casma, phospho gypsum, doctorG, sulphur bentonite Etc.		5,805.93		781.02

**44. APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved for issue by the Board of Directors on 30<sup>th</sup> May, 2022. The Board of Directors have recommended dividend of ₹ 0.50 per fully paid up equity share of ₹ 10/- each, aggregating ₹ 109.53 Lacs for the financial year 2021-22, which is based on relevant share capital as on 31<sup>st</sup> March, 2022. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

- 45.** In the opinion of the Board, all assets other than fixed assets and non-current investments, have a realisable value in the ordinary course of business which is not significantly differ from the amount at which it is stated.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2022

46. The new Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.
47. Previous year's figures have been reclassified, wherever necessary, to confirm current year's presentation.

**As per our report of even date**

**For M/s Rajneesh Kanther & Associates**

**For and Behalf of the Board of Directors**

**Chartered Accountants**

**(Firm Registration No. 021262C)**

**Sd/-**

**Sd/-**

**(Pankaj Ostwal)**

**(Managing Directors)**

**DIN: 02586806**

**(Praveen Ostwal)**

**(Directors)**

**DIN: 00412207**

**Sd/-**

**(Rajneesh Kanther)**

**Proprietor**

**Membership No.102162**

**Place: Bhilwara**

**Date: 30<sup>th</sup> May 2022**

**Sd/-**

**(Pallavi Sukhwal)**

**Company Secretary**

**Membership No .ACS43744**

**Sd/-**

**(Sourabh Gupta)**

**(CFO)**

**DIN: 07177647**