



Mangalore Chemicals  
& Fertilizers Limited

February 26, 2024

To,  
**The General Manager,**  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations") for the draft composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited (the "Transferor Company" or the "Company"), Paradeep Phosphates Limited (the "Transferee Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").**

The Board of Directors of the Company ("Board") at its meeting held on February 7, 2024, have considered and approved the Scheme for *inter alia* the amalgamation of the Transferor Company with and into the Transferee Company on a going concern basis, subject to the approval of the shareholders, creditors of the Company and the Transferee Company (unless the same are dispensed with), and all other necessary approval, consents, permission and sanction of the relevant statutory and regulatory authorities.

The equity shares of the Company are listed on the BSE Limited and at National Stock Exchange of India Limited.

As per the provisions of Regulation 37 of SEBI LODR Regulations, listed entity desirous of undertaking a scheme of amalgamation is required to file the draft scheme of amalgamation, proposed to be filed before any Court or Tribunal under Sections 230-232 of Companies Act, 2013, whichever applicable (along with a non-refundable fee as specified) with the stock exchange(s) for obtaining the observation letter or no-objection letter, before filing such scheme with any court or tribunal, in terms of requirements specified by the Securities and Exchange Board of India ("SEBI") or stock exchange(s) from time to time.

In accordance with Para 1 of Part I (A) of the SEBI master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20<sup>th</sup> June 2023 issued by the SEBI titled '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule(7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*' ("**SEBI Master Circular**"), the Board of the Company has chosen BSE Limited as its 'designated stock exchange' (DSE) for co-ordination with SEBI.

Pursuant to the SEBI Master Circular, the checklist(s) published by BSE Limited and Regulation 37 of the SEBI LODR Regulations, we hereby provide the required documents/information, as more particularly mentioned/referred in the 'Index of Documents Submitted' enclosed herewith, duly initialed by the Company Secretary and/or Compliance Officer of the Company for your kind perusal.





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On the basis of the above submissions, we request you to kindly consider this application seeking the no-objection from your good office and grant your approval and consent to the Scheme at your earliest convenience.

Should you require any further information/clarification on the Scheme, we shall be glad to provide the same.

Thanking you,

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
Membership No.: ACS16651  
Place: Bangalore  
Date: February 26, 2024





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### INDEX OF DOCUMENTS SUBMITTED

(Documents to be submitted along with application under Regulation 37 of SEBI LODR Regulations read with SEBI Master Circular)

Sr. No.	Documents to be submitted along with application under Regulation 37 of the LODR Regulations	Annexure Reference
1.	Certified true copy of the resolution passed by the Board of Directors of the Company approving the scheme	Annexure 1
2.	Certified copy of the draft Scheme proposed to be filed before the National Company Law Tribunal	Annexure 2
3.	Valuation report from Registered Valuers as per Para (A)(4) of Part I of SEBI Master Circular in the prescribed format.  Confirmation from the listed entity signed by Company Secretary/ Compliance Officer stating that: a) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation. b) Declaration/ details on any past defaults of listed debt obligations of the entities forming part of the scheme	Annexure 3 and Annexure 3A
4.	Report from the Audit Committee recommending the draft scheme taking into consideration, <i>inter alia</i> , the valuation report at sr. no. 3 above. As per Para (A)(2)(c) of Part I of SEBI Master Circular. The Audit Committee report shall also comment on the following: <ul style="list-style-type: none"><li>• Need for the merger/<del>demerger</del>/amalgamation/arrangement</li><li>• Rationale of the scheme</li><li>• Synergies of business of the entities involved in the scheme</li><li>• Impact of the scheme on the shareholders.</li><li>• Cost benefit analysis of the scheme.</li></ul>	Annexure 4
5.	Fairness opinion by Independent SEBI Registered Merchant Banker as per Para (A)(2)(d) of Part I of SEBI Master Circular.	Annexure 5
6.	Shareholding pattern of all the companies pre and post Amalgamation / arrangement as per the format provided under Regulation 31 of the LODR Regulations	Annexure 6A and Annexure 6B
7.	Shareholding pattern of Transferor Company and Transferee Company pre and post Amalgamation in <b>Word Format</b> as given in <b>Annexure II</b> of the BSE Checklist	Annexure 7
8.	Pre and Post Amalgamation number of Shareholders in all the companies Transferor Company and Transferee Company in the format as provided in <b>Annexure III</b> of the BSE checklist	Annexure 8





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9.	<p>Audited Standalone and Consolidated financials of the Transferor Company and Transferee Company s for the last 3 financial years (as per <b>Annexure IV</b> of BSE checklist.</p> <p>The Annual Report and the audited / unaudited financials of the latest quarter (where it is due) of the Transferor Company and the Transferee Company accompanied mandatorily by the Limited Review Report of the auditor.</p>	Annexure 9 and Annexure 9A
10.	<p>Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para (A)(5) of Part I of SEBI Master Circular, as per the format given in <b>Annexure III</b> of the SEBI Master Circular.</p>	Annexure 10
11.	<p>Detailed Compliance Report as per the format specified in Annexure I of SEBI Master Circular duly certified by the Company Secretary, Chief Financial Officer and the Whole-time Director, confirming compliance with each regulatory requirements specified for schemes and all accounting standards as per Para (A)(2)(h) of Part I of SEBI Master Circular (in accordance with the format given in Annexure VI of the BSE checklist.</p>	Annexure 11
12.	<p>Report from the Committee of Independent Directors of the Transferor Company and the Transferee Company recommending the draft Scheme taking into consideration, <i>inter alia</i>, that the Scheme is not detrimental to the shareholders of the Transferee Company and Transferor Company, respectively, as per Para (A)(2)(i) of Part I of the SEBI Master Circular.</p>	Annexure 12
13.	<p>Complaint report as per Annexure IV of SEBI Master Circular, in accordance with the format given in <b>Annexure VII</b> of the BSE checklist.</p>	The same shall be filed within the prescribed timelines
14.	<p>If as per the Transferor Company and Transferee Company, approval from the public shareholders through e-voting, as required under Para (A)(10)(a) of Part I of SEBI Master Circular, is not applicable then as required under Part I (A) (10)(c) of said SEBI Master Circular, submit the following:</p> <ul style="list-style-type: none"><li>(a) An undertaking certified by the auditor of the Transferor Company and the Transferee Company clearly stating the reasons for non-applicability of Para 10(a) of the SEBI master Circular.</li><li>(b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.</li></ul>	The Transfer Company and Transferee Company are required to obtain the said approval of its shareholders and hence, the auditor undertaking and the corresponding board resolution approving such auditor undertaking has <b>not</b> been obtained.
15.	<p>If pursuant to scheme, the allotment of shares is proposed to be made to a selected group of shareholders or to the shareholders of unlisted companies, pricing certificate from the Statutory Auditor / Practicing</p>	Not applicable





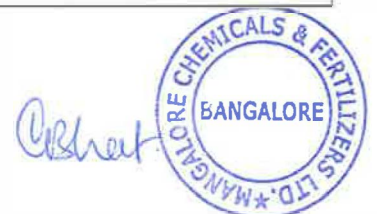
	CA / Practicing CS of the listed company as per Provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.	
16.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE.	BSE Limited is the Designated Stock Exchange. Certified copy of the resolution is annexed as Annexure 13.
17.	Brief details of the Transferee Company and Transferor Company as per format enclosed at <b>Annexure VIII</b> of the BSE checklist.	Annexure 14
18.	Brief details of the board of directors and promoters of the Transferee Company and Transferor Company as per format enclosed at <b>Annexure IX</b> of the BSE checklist	Annexure 15
19.	Net-worth certificate from Auditor / PCA/ PCS (excluding Revaluation Reserve) together with related workings pre and post scheme for the Transferor Company and Transferee Company.	Annexure 16
20.	Capital evolution details of the Transferee Company and Transferor Company, as per format enclosed at <b>Annexure X</b> of the BSE checklist.	Annexure 17
21.	Confirmation by the Managing Director/ Company Secretary as per format enclosed as <b>Annexure XI</b> as per the BSE checklist.	Annexure 18
22.	Annual Reports of Transferee Company and Transferor Company for the last financial year.	Annexure 19
23.	Processing fee (non-refundable) will be payable to BSE and SEBI in accordance with the BSE checklist.	Annexure 20A and Annexure 20B
24.	In case of scheme of demerger, additional documents as per <b>Annexure XIII</b> of the BSE checklist are to be submitted.	Not applicable
25.	In case NCDs and/or NCRPS are proposed to be issued to the shareholders of the listed entity and are to be listed, the company shall submit an undertaking signed by CS / MD of the company as per format attached in <b>Annexure XIV</b> confirming compliance with the requirements Para (A)(12)(A) of Part I of SEBI Master Circular.	Not applicable
26.	In case a new unlisted company is seeking listing pursuant to scheme of arrangement but at least 25% of the post scheme paid up capital of the unlisted company does not comprise of shares allotted to the public shareholders in the listed transferor / demerged entity, the company shall submit the compliance with the Proviso to Para (A)(1)(b) of Part II of SEBI Mater Circular by CS/MD and statutory auditor of the company.	Not applicable





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27	Report on the Unpaid Dues with details of unpaid dues in the format given in Annexure V of SEBI Master Circular and <b>Annexure XV</b> of the BSE checklist	Annexure 21
28	An undertaking from the listed entity signed by Managing Director/ Company Secretary/ Compliance Officer stating that: <i>"We hereby confirm that we have initiated the process of obtaining the No Objection Certificate from the lending scheduled commercial banks/financial institutions/debenture trustees as required under Para A (2) (k) of Part I of SEBI Master Circular dated June 20, 2023 and we shall submit the same with the Exchange before the receipt of the No-objection letter from stock exchange in terms of Regulation 37(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."</i>	Annexure 22
29.	Undertaking to be provided by the Transferor Company that:  (i) The Transferee Company will not issue/reissue shares not covered under the draft Scheme.  (ii) As on date of application there are no outstanding warrants/instruments/agreements which give right to any person to take the equity shares in the Transferee entity at any future date.  <i>In case there are such outstanding instrument, kindly provide details and also provide the shareholding pattern of the Transferee Company on fully diluted basis.</i>	Annexure 23
30.	Details to be submitted by the company in case of demerger where there is no change in shareholding pattern of Demerged company and the Resulting company:  In case of scheme of demerger wherein mirror image is created in the resulting company, following standard information to be submitted by the listed company:  1)Details of assets, liability, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement 2)Assets, liability, revenue and net worth of the demerged undertaking along with a write up on the history of the demerged undertaking 3)Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed/demerged entity in last three financial years. 4)Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement. Such information to be certified by Auditor of the company / PCA/PCS.	Not Applicable
31.	Annual Report for the last 3 financial years for all unlisted companies involved in the scheme.	Not Applicable





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32.	NOC/Clearance from the respective sectorial regulators, if any sectorial regulators approval is applicable to the Transferor Company or the Transferee Company involved in the scheme. Also confirm status of the approval. If not applicable, all the companies involved in the Scheme are requested to provide an undertaking confirming the same.	Annexure 24
33.	Prior history of any scheme of arrangement concerning the Transferor Company.	Annexure 25
34.	Please confirm that the proposed Scheme is in accordance with the memorandum of association and articles of association of the Transferor Company and the Transferee Company, respectively.	Annexure 26
35.	Kindly submit non- applicability certificate of the requirements of the corporate governance, if required.	Not applicable, since the Company is in compliance with the corporate governance requirement as mentioned in Annexure 11
36.	Name & Designation of the Contact Person Telephone Nos. (landline & mobile) Email ID.	<b>Name:</b> Vighneshwar G Bhat <b>Designation:</b> Company Secretary <b>Telephone No:</b> +91 80 45855568 Mobile: +91 7338226385 <b>Email ID:</b> vighneshwar.bhat@adventz.com

Thanking you,

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
Membership No.: ACS16651  
Place: Bangalore  
Date: February 26, 2024





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**THE EXTRACTS OF THE MINUTES OF 396<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED HELD ON WEDNESDAY, FEBRUARY 07, 2024 AT 5.30 PM THROUGH VIDEO CONFERENCING FACILITY AT THE ADVENTZ CENTRE, 28 UNION STREET, BANGALORE – 560001 AS SCHEDULED VENUE.**

#### **A. Execution of the Merger Cooperation Agreement**

**“RESOLVED THAT** the board of directors of the Company (“Board”) hereby approves the draft of the merger cooperation agreement to be entered into between the Company and Paradeep Phosphates Limited (“Merger Cooperation Agreement”) and Mr. Nitin M Kankat, Whole-time Director, Mr. Muralidharan T M, Chief Financial Officer and Mr. Vighneshwar G Bhat, Company Secretary & Compliance Officer be and are hereby jointly and severally authorised to discuss, negotiate, approve, finalize and to sign and execute the Merger Cooperation Agreement and any ancillary document(s), letter(s), notice(s) and/or instrument(s) to be executed by the Company in relation to the Merger Cooperation Agreement (collectively, the “Transaction Documents”), for and on behalf of the Company (including any modifications, amendments and alterations to the Transaction Documents as they may deem fit), and to do all acts, matters, deeds and things in connection therewith and incidental thereto or all such acts, deeds, matters and things as may be required or desirable to undertake the transactions contemplated thereunder and/or give effect to this resolution;

**RESOLVED FURTHER THAT** any of the directors on the board of directors or Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required.”

#### **B. Approval of the Composite Scheme of Arrangement**

**“RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made thereunder as may be applicable, the provisions of the Income Tax Act, 1961, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India (“SEBI” and such circular, the “Scheme Circular”) and any other applicable laws, rules, circulars and regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the relevant provisions of the Memorandum of Association and Articles of Association of the Company, the approval of the relevant jurisdictional National Company Law Tribunals (“NCLT”) and such other approval(s), permission(s) and sanction(s) of regulatory/ statutory authority(ies), as may be necessary, and subject to such condition(s) and modification(s) as may be prescribed or imposed by the NCLT or by any regulatory/ statutory authority(ies), while granting such consent(s), approval(s) and permission(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the composite scheme of arrangement by and amongst the Company, the Transferee Company, and their respective shareholders and creditors, in relation to inter alia the amalgamation of the Company with and into the Transferee Company;

Registered Office: 05 tower, Level 11, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001, India.

Tel: +91 80 4585 5575/68 Fax: +91 80 4585 5588 E-mail: shares.mcf@adventz.com

Website: www.mangalorechemicals.com

Corporate Identity Number: L24123KA1966PLC002036







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**RESOLVED FURTHER THAT** pursuant to the relevant provisions of the Companies Act, 2013, the Scheme Circular and other applicable law(s), the Board hereby approves and takes on record the following documents, which have been placed before the Board:

1. the draft Scheme;
2. the valuation report dated February 07, 2024 issued jointly by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the audit committee of the Board;
3. the fairness opinion dated February 07, 2024 issued by Fedex Securities Private Limited, SEBI registered merchant banker appointed by the Company;
4. the certificate dated February 07, 2024 issued by PKF Sridhar & Santhanam LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other applicable laws;
5. the report of the audit committee of the Board dated February 07, 2024 recommending the Scheme for approval, prepared in conformity with the Scheme Circular;
6. the report of the committee of the independent directors dated February 07, 2024 recommending the Scheme for approval, prepared in conformity with the Scheme Circular; and
7. the report of the Board in terms of Section 232(2)(c) of the Companies Act, 2013;
8. the detailed compliance report to be filed with the Stock Exchanges prepared in conformity with the Scheme Circular.

**RESOLVED FURTHER THAT** the Board hereby, for the purpose of coordinating with the SEBI, in terms of the Scheme Circular, designate BSE Limited as the 'Designated Stock Exchange'; and

**RESOLVED FURTHER THAT** Mr. Nitin M Kantak, Whole-time Director, Mr. Muralidharan T M, Chief Financial Officer and Mr. Vighneshwar G Bhat, Company Secretary & Compliance Officer, be and are hereby jointly and severally authorised to take all actions and decide all matters relating to and/or incidental to the Scheme and/or necessary or desirable for giving effect to the Scheme, including but not limited to:

- (a) making any alterations, changes, or modifications to the Scheme, as may be expedient or necessary;
- (b) filing the Scheme and/ or any other information/ details/ documents (including any affidavits)/ instruments with the NCLT or any other body or regulatory authority or agency (including third parties) to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;
- (c) withdrawing the Scheme in accordance with the Scheme and / or the Merger Cooperation Agreement;

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- (d) filing appropriate application(s), documents, petitions, filings, affidavits, letters or writings before the NCLT, or such other appropriate authorities seeking directions as to convening/ dispensing with the meeting of the shareholders / secured or unsecured creditors of the Company and, where necessary, to take steps to convene and hold such meetings as per the directions of the NCLT or such other appropriate authority;
- (e) filing any affidavits, petitions, pleadings, applications, orders, forms or reports before the NCLT, Stock Exchanges, CCI or any statutory or regulatory authority including the Registrar of Companies, as may be necessary, in connection with the Scheme and/or in connection with the sanction thereof, and to do all such acts, deeds or things as may be deemed necessary or desirable in connection therewith or incidental thereto;
- (f) signing all applications, affidavits, petitions, pleadings, documents, filings, letters or writings relating to the Scheme, and represent the Company before the NCLT, Stock Exchanges, CCI and any other regulatory authorities in relation to any matter pertaining to the Scheme or delegate such authority to any other person by a valid power of attorney;
- (g) engaging, dismissing or changing counsels, advocates, solicitors, valuers and other professionals in connection with the Scheme;
- (h) signing and executing the vakalatnama wherever necessary, and signing and issuing public advertisements and notices in connection with the Scheme;
- (i) settling any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- (j) obtaining approval from the NCLT, Stock Exchanges, CCI and such other authorities and parties including the shareholders, creditors and lenders as may be considered necessary, for the approval and sanction of the Scheme;
- (k) incurring expenses as may be necessary to give effect to the Scheme, including payment of fees to attorneys, counsels and other expenses (such as stamp duty and other applicable taxes);
- (l) doing all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto; and
- (m) delegate all or any of the abovementioned powers to any other person;

**RESOLVED FURTHER THAT** any of the directors on the Board or Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required."

"CERTIFIED TRUE COPY"

For Mangalore Chemicals & Fertilizers Limited

  
Vighneshwar G Bhat  
Company Secretary  
ACS: 16651



Registered Office: UB Tower, Level 11, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001, India.

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Website: www.mangalorechemicals.com

Corporate Identity Number: L24123KA1966PLC002036

**COMPOSITE SCHEME OF ARRANGEMENT**

**AMONGST**

**MANGALORE CHEMICALS &  
FERTILIZERS LIMITED**

**...**

**TRANSFEROR COMPANY**

**PARADEEP PHOSPHATES LIMITED**

**...**

**TRANSFeree COMPANY**

**AND**

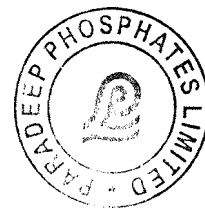
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013**



*M*

*SL.*



**PART I**  
**GENERAL**

**WHEREAS:**

1. **MANGALORE CHEMICALS & FERTILIZERS LIMITED** (hereinafter referred to as the “**Transferor Company**”), is a public company incorporated under the Companies Act, 1956 with corporate identity number L24123KA1966PLC002036, and having its registered office at Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bangalore, Karnataka, India, 560 001. The Transferor Company was incorporated on July 18, 1966. The Transferor Company is *inter alia* engaged in the business of manufacture, purchase, import and sale of fertilizers. The Equity Shares (*as defined hereinafter*) of the Transferor Company are listed on the Stock Exchanges (*as defined hereinafter*).
2. **PARADEEP PHOSPHATES LIMITED** (hereinafter referred to as the “**Transferee Company**”), is a public company incorporated under the Companies Act, 1956 with corporate identity number L24129OR1981PLC001020, and having its registered office at 5<sup>th</sup> Floor, Orissa State Handloom Weavers’ Co-Operative Building, Pandit J.N. Marg, Bhubaneswar, Orissa, India, 751 001. The Transferee Company was incorporated on December 24, 1981. The Transferee Company is *inter alia* engaged in the business of manufacture and sale of di-ammonium phosphate, complex fertilizers of NPK grades, urea, zypmite (gypsum-based product) and trading of fertilizers, ammonia, phospho-gypsum, and other similar materials ancillary or incidental thereto. The Equity Shares (*as defined hereinafter*) of the Transferee Company are listed on the Stock Exchanges (*as defined hereinafter*).

**A. PREAMBLE**

This Scheme (*as defined hereinafter*) is presented under the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) read with the relevant rules made thereunder, the relevant provisions of the SEBI Scheme Circular (*as defined hereinafter*), and the relevant provisions of the SEBI LODR Regulations (*as defined hereinafter*) for: (i) the amalgamation of the Transferor Company with and into the Transferee Company on a going concern basis in accordance with Section 2 (1B) of the Income Tax Act (*as defined hereinafter*) and the consequent issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company under Sections 230 to 232 and other applicable provisions of the Act, and the SEBI Scheme Circular; and (ii) the transfer of the Identified Shares (*as defined hereinafter*) from the Transferor Shareholder (*as defined hereinafter*) to the Transferee Shareholder (*as defined hereinafter*). In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**B. DESCRIPTION OF THE SCHEME**

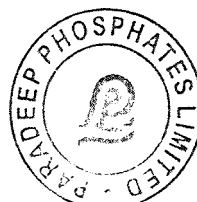
3. This Scheme provides, *inter alia*, for:
  - (a) the amalgamation of the Transferor Company with and into the Transferee Company as a going concern, the issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the Act, the SEBI Scheme Circular, SEBI LODR Regulations and Section 2 (1B) and other relevant provisions of the Income Tax Act;
  - (b) the transfer of the Identified Shares from the Transferor Shareholder to the Transferee Shareholder; and
  - (c) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of the Transferee Company.

**C. RATIONALE OF THE SCHEME**

4. With a view to consolidate the business and other interests of the Transferee Company and the



*[Handwritten signature]*

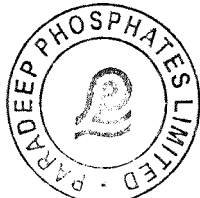


Transferor Company, the Transferee Company and Transferor Company have decided that the Transferor Company with all its business and other interests, be amalgamated with and into the Transferee Company.

5. The Transferor Company and Transferee Company are of the view that: (a) the proposed amalgamation of the Transferor Company with and into the Transferee Company; and (b) the Share Transfer contemplated under this Scheme, would be to the benefit of the shareholders and creditors of the Transferor Company and Transferee Company and would, *inter alia*, have the following benefits:
- (a) The proposed amalgamation will enable the Transferor Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India;
  - (b) The Transferor Company and Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to this Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth;
  - (c) The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferor Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company; and
  - (d) The proposed amalgamation is expected to create enhanced value for the stakeholders of the Transferor Company and the Transferee Company.
6. The Scheme also provides for the Share Transfer (*as defined hereinafter*), which shall be undertaken as an integral part of this Scheme to ensure that the existing promoter of the Transferee Company continues to hold more than 50% (fifty percent) of the share capital of the Transferee Company upon the consummation of the Scheme, which shall ensure the continued control by the existing promoter of the Transferee Company. Therefore, the Share Transfer is expected to expedite the overall benefits of the Scheme and create enhanced value for the stakeholders of both the Transferor Company and the Transferee Company.

#### D. PARTS OF THE SCHEME

7. This Scheme is divided into the following parts:
- (a) **Part I**, deals with the definitions of the terms used in this Scheme, the interpretation provisions of the Scheme, and also sets out the details of the share capital of the Transferor Company and the Transferee Company;
  - (b) **Part II**, deals with the amalgamation of the Transferor Company with and into the Transferee Company on the Effective Date 2 (*as defined hereinafter*) and with effect from the Appointed Date 2 (*as defined hereinafter*), in accordance with Section 2 (1B) of the Income Tax Act and Sections 230 to 232 and other relevant provisions of the Act and rules made thereunder, and the relevant provisions of the SEBI Scheme Circular and the SEBI LODR Regulations, the dissolution of the Transferor Company and listing of Equity Shares of the Transferee Company that are issued pursuant to the Scheme and the accounting treatment for the Scheme;
  - (c) **Part III**, deals with transfer of the Identified Shares (*as defined hereinafter*) by the Transferor Shareholder to the Transferee Shareholder on the Effective Date 1 (*as defined hereinafter*) and with effect from the Appointed Date 1 (*as defined hereinafter*); and
  - (d) **Part IV**, deals with the general terms and conditions applicable to the Scheme including, *inter alia*, the transfer of the authorized share capital of the Transferor Company to the

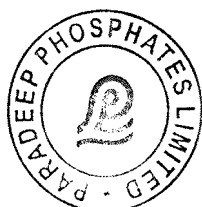


Transferee Company and the conditions precedent to effectiveness of the Scheme.

**E. DEFINITIONS**

8. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- (A) “**Act**” means the (Indian) Companies Act, 2013 and any rules, regulations, circulars notifications, clarifications or guidelines issued thereunder;
- (B) “**Applicable Law**” includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, approvals, bye-laws, regulations, notifications, guidelines, ordinance, policies, directions, directives, circulars, notifications and orders promulgated by a Governmental Authority (or any sub-division thereof), statutory authority, tribunal (including the Tribunals), board, court or Stock Exchanges, which are in force and binding at the relevant time, and as may be applicable;
- (C) “**Appointed Date 1**” shall mean the Effective Date 1;
- (D) “**Appointed Date 2**” shall mean April 01, 2024;
- (E) “**Articles**” mean the articles of association of the Transferee Company;
- (F) “**Board**” in relation to any company, means the board of directors of such company and shall, unless repugnant to the context thereof, include a committee of directors duly authorised by such board of directors;
- (G) “**CCI**” means the Competition Commission of India;
- (H) “**Clause**” means a clause of this Scheme;
- (I) “**Consent**” means any notice, consent, approval, permission, authorisation, waiver, permit, clearance, no objection, license, exemption, of, from or to any Person;
- (J) “**Contract**” means any agreement(s), contract(s), sub-contract(s), arrangement(s), memoranda of undertaking(s), guarantee(s) and indemnity(ies), memoranda(s) of agreement, expression(s) of interest, bid(s), letter(s) of intent, letter(s) of agreed points, instrument(s), understanding(s), commitment(s), purchase order(s) work order(s), deed(s), bond(s), warranty(ies), insurance(s), lease(s), license(s), tender(s), undertaking(s) or commitment(s) of any nature (whether or not the same is absolute, revocable, contingent, conditional, binding or otherwise (whether written or otherwise), including all amendment(s) and modification(s) thereto), to which the Transferor Company is a party or by which any of the assets held by the Transferor Company are bound;
- (K) “**Effective Date 1**” shall have the meaning set forth in Clause 45 of Part IV of this Scheme;
- (L) “**Effective Date 2**” shall mean the date falling 3 (three) days from the Effective Date 1;
- (M) “**Encumbrance**” means any present or future mortgage, charge, pledge, assignment, hypothecation, lien, equitable interest, assignment by way of security, conditional sales contract, right of other Persons, title defect, voting trust agreement, pre-emptive right, restriction on transfer, option, security interest, title retention agreement or other encumbrance of any kind, or a contract to give any of the foregoing, including any restriction imposed under Applicable Law or contract on the transferability of any asset, whether present or future, and any security agreement or arrangement of any description whatsoever which has an economic or financial effect similar to the granting of security under Applicable Law and the term “**Encumber**” or “**Encumbered**” shall be construed accordingly;
- (N) “**Equity Shares**” with respect to a company, mean the fully paid-up equity shares of such company;
- (O) “**ESOP**” means employee stock options;



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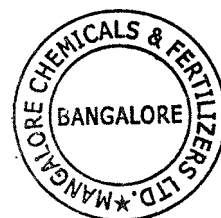


- (P) **“Governmental Authority”** means any supranational, national, state, municipal or local government authority (including any subdivision, court, administrative or regulatory agency or commission or other authority thereof), quasi government authority, statutory authority, regulatory authority, agency, government department, board, commission, administrative authority, tribunal or court or any authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof, over the Transferor Company and/or the Transferee Company, including the SEBI, the Stock Exchanges and the CCI;
- (Q) **“Identified Shares”** means 3,92,06,000 (Three Crores Ninety-Two Lakhs and Six Thousand) Equity Shares of the Transferor Company;
- (R) **“Income Tax Act”** means the (Indian) Income Tax Act, 1961, together with all applicable by-laws, rules, regulations, circulars, notifications, orders, ordinances, policies, directions and similar Applicable Laws or supplements issued thereunder;
- (S) **“Liabilities”** shall have the meaning set forth in Clause 15;
- (T) **“Merger Cooperation Agreement”** means the merger cooperation agreement dated February 7, 2024 executed between the Transferor Company and the Transferee Company;
- (U) **“Person”** means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association (including unincorporated association), organization, partnership or proprietorship, body corporate, corporation (including any non-profit corporation), estate, society, firm, or any other enterprise or other entity, including any governmental agency or regulatory body, in each case, whether or not having separate legal personality and whether acting in an individual, fiduciary or other capacity;
- (V) **“Proceedings”** shall have the meaning set forth in Clause 17(a);
- (W) **“Record Date”** shall mean the date fixed by the Board of the Transferee Company for the purpose of determining the shareholders of the Transferor Company that are to be issued the Equity Shares of the Transferee Company pursuant to Clause 23 of Section B of Part II of this Scheme;
- (X) **“Registered Valuer”** means a Person registered as a valuer in terms of Section 247 of the Act;
- (Y) **“RoC”** means the Registrar of Companies having jurisdiction over the Transferee Company and/or the Transferor Company (as applicable);
- (Z) **“Sanction Orders”** means the orders of the Tribunals approving the Scheme;
- (AA) **“Scheme”** means this composite scheme of arrangement amongst the Transferor Company and the Transferee Company and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, and rules made thereunder;
- (BB) **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992, as amended from time to time;
- (CC) **“SEBI LODR Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (DD) **“SEBI Scheme Circular”** means the Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI on scheme of arrangement by listed entities and any other related circular(s) issued by the SEBI, as in effect from time to time;
- (EE) **“Share Transfer”** shall have the meaning set forth in Clause 38;

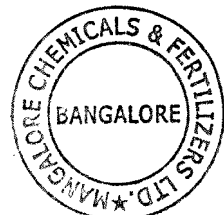
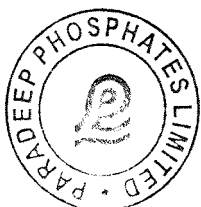


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- (FF) **“Stock Exchanges”** means the stock exchanges where the equity shares of the Transferor Company and the Transferee Company are listed and are admitted to trading, viz, the BSE Limited and the National Stock Exchange of India Limited;
- (GG) **“Tax”** means and includes all taxes on income, profit, sales, use, goods, services, asset, capital gains, fringe benefit, gift, gratuity, provident fund, minimum alternate tax, buyback distribution tax, securities transaction tax, dividend distribution tax, withholding taxes, tax collected at source, equalization levy, property tax, value-added tax, sales tax, transfer taxes, goods and service tax, duties of custom and excise, octroi duty, wealth tax, entry tax, stamp duty, customs and similar charges of any jurisdiction, and other governmental charges or duties, levies, imposts or other taxes whether direct or indirect, whether central, state or local, including any surcharge or cess (including education cess, health and education cess, secondary and higher education cess) thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; including payable in a representative capacity;
- (HH) **“Transferee Company”** shall have the meaning ascribed to it in the preamble;
- (II) **“Transferee Company ESOP Plan”** means the PPL Employee Stock Option Plan 2021, as may be amended, modified from time to time;
- (JJ) **“Transferee Company Stock Options”** means the employee stock options granted by the Transferee Company under Transferee Company ESOP Plan;
- (KK) **“Transferee Shareholder”** means Zuari Maroc Phosphates Private Limited, having corporate identity number U46692OR2002PTC017414 and its registered office at 5<sup>th</sup> Floor, Orissa State Handloom Weavers’ Co-Operative Building, Pandit J.N. Marg, Khordha, Bhubaneswar, Orissa, India, 751 001;
- (LL) **“Transferor Company”** shall have the meaning ascribed to it in the preamble;
- (MM) **“Transferor Shareholder”** means Zuari Agro Chemicals Limited, having corporate identity number L65910GA2009PLC006177 and its registered office at Jai Kisaan Bhawan, South Goa, Zuarinagar, Goa, India, 403 726;
- (NN) **“Tribunals”** means collectively, (i) the National Company Law Tribunal, Bangalore Bench having jurisdiction over the Transferor Company; and (ii) the National Company Law Tribunal, Cuttack Bench having jurisdiction over the Transferee Company, as applicable, and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Act, and **“Tribunal”** shall mean each of them individually;
- (OO) **“Trustee”** shall have the meaning ascribed to it in Clause 26;
- (PP) **“Undertaking”** means all the undertakings and entire business of the Transferor Company, as a going concern, and shall include (without limitation):
- (a) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Company, including investments of all kinds including but not limited to securities (whether marketable or not), securitized assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, security deposits, advances extended, earnest monies, advance rentals, payment against warrants, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, sales and / or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture(s), fixtures, share of any joint assets, and other facilities including without limitation all rights, title, interests, claims, covenants and undertakings in such assets of the Transferor Company;

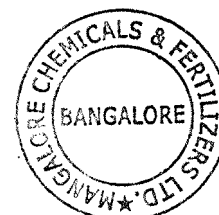


- (b) all permits, registrations, rights, entitlements, licenses, permissions, approvals (including licenses and approvals from any Governmental Authority), subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, minimum alternate Tax, self-assessment Tax, brought forward book losses and book unabsorbed depreciation to the extent such amounts are not set-off against book profits computed under Section 115JB of the Income Tax Act, brought forward Tax losses and unabsorbed depreciation under the provisions of the Income Tax Act, brought forward interest expenses to the extent not claimed as deduction under Section 94B of the Income Tax Act, other income Tax credits, withholding tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax holidays, Tax refunds (including those pending with any Tax authority), advantages, and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;
- (c) all authorities, Consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits of the Transferor Company;
- (d) all privileges and benefits of, or under, all Contracts whether written, oral or otherwise, or other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date 2;
- (e) all intellectual property rights including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever (whether registered or unregistered), any applications for registration of any intellectual property, goodwill, confidential and proprietary information, receivables, belonging to or utilized for the business and activities of the Transferor Company;
- (f) all records, books, files, papers, computer programs, software licenses, engineering and process information, production methodologies, production plans, manuals, data, catalogues, quotations, websites, sales and advertising material, marketing strategies, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form or any other form, in connection with or relating to the Transferor Company;
- (g) insurance covers and claims to which the Transferor Company is a party, or to the benefit of which the Transferor Company is eligible;
- (h) all legal, Tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature, initiated by or against the Transferor Company;
- (i) all present, and contingent future liabilities of the Transferor Company including all



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debts, loans (whether denominated in rupees or a foreign currency or whether secured or unsecured), borrowings, term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form) of the Transferor Company; and

- (j) all employees of the Transferor Company.

## 9. INTERPRETATION

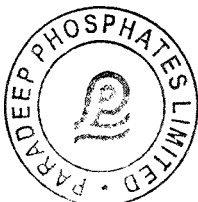
In this Scheme, unless the context requires otherwise:

- (a) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (b) words in the singular shall include the plural and *vice-versa*;
- (c) the terms “hereof”, “herein”, or similar expressions used in this Scheme mean and refer to this Scheme and not to any particular clause of this Scheme;
- (d) wherever the word “include”, “includes”, or “including” is used in this Scheme, it shall be deemed to be followed by the words “without limitation”;
- (e) any reference to any enactment, rule, regulation, notification, circular or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all rules, regulations, circulars, notifications, instruments or orders made under such enactment;
- (f) any reference to an “agreement” or “document” shall be construed as a reference to such agreement or document as amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document;
- (g) where a wider construction is possible, the words “other” and “otherwise” shall not be construed *ejusdem generis* with any foregoing words; and
- (h) any reference to “INR” is to Indian National Rupees.

## 10. SHARE CAPITAL

- (a) The share capital structure of the Transferor Company as on February 7, 2024 is as follows:

Particulars	Amount in INR
<b>Authorised Share Capital:</b>	
12,40,00,000 (Twelve Crores Forty Lakhs) equity shares of INR 10 (Indian Rupees Ten) each	1,24,00,00,000 (Indian Rupees One Hundred and Twenty Four Crores only)
6,00,00,000 (Six Lakhs) 13% (thirteen percent) redeemable cumulative preference shares of INR 100 (Indian Rupees One Hundred only) each	6,00,00,000 (Indian Rupees Six Crores only)
<b>TOTAL</b>	<b>1,30,00,00,000 (Indian Rupees One Hundred and Thirty Crores only)</b>



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<b>Issued shares:</b>	
12,00,00,044 (Twelve Crores and Forty Four) equity shares of INR 10 (Indian Rupees Ten) each	1,20,00,00,440 (Indian Rupees One Hundred and Twenty Crores Four Hundred and Forty only)
<b>TOTAL</b>	<b>1,20,00,00,440 (Indian Rupees One Hundred and Twenty Crores Four Hundred and Forty only)</b>
<b>Subscribed and fully paid-up shares:</b>	
11,85,15,150 (Eleven Crores Eighty Five Lakhs Fifteen Thousand One Hundred and Fifty) equity shares of INR 10 (Indian Rupees Ten) each	1,18,51,51,500 (Indian Rupees One Hundred and Eighteen Crores Fifty One Lakhs Fifty One Thousand and Five Hundred only)
Forfeited shares (amount originally paid-up)	3,35,000 (Indian Rupees Three Lakhs Thirty Five Thousand only)
<b>TOTAL</b>	<b>1,18,54,86,500 (Indian Rupees One Hundred and Eighteen Crores Fifty Four Lakhs Eighty Six Thousand and Five Hundred only)</b>

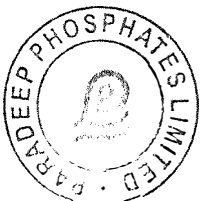
The Equity Shares of the Transferor Company are listed on the Stock Exchanges.

(b) The share capital structure of the Transferee Company as on February 7, 2024 is as follows:

Particulars	Amount in INR
<b>Authorised Share Capital:</b>	
90,00,00,000 (Ninety Crores) equity shares of INR 10 (Indian Rupees Ten only) each	9,00,00,00,000 (Indian Rupees Nine Hundred Crores only)
1,00,00,000 (One Crore) 7% (seven percent) non-cumulative redeemable preference shares of INR 100 (Indian Rupees One Hundred only) each	1,00,00,00,000 (Indian Rupees One Hundred Crores only)
<b>TOTAL</b>	<b>10,00,00,00,000 (Indian Rupees One Thousand Crores only)</b>
<b>Issued, subscribed and fully paid up shares</b>	
81,47,39,453 (Eighty One Crores Forty Seven Lakhs Thirty Nine Thousand Four Hundred and Fifty Three) equity shares of INR 10 (Indian Rupees Ten only) each	8,14,73,94,530 (Indian Rupees Eight Hundred and Fourteen Crores Seventy Three Lakhs Ninety Four Thousand Five Hundred and Thirty only)
<b>TOTAL</b>	<b>8,14,73,94,530 (Indian Rupees Eight Hundred and Fourteen Crores Seventy Three Lakhs Ninety Four Thousand Five Hundred and Thirty only)</b>

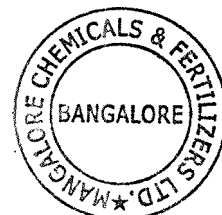
The Equity Shares of the Transferee Company are listed on the Stock Exchanges.

The aforesaid issued, subscribed, and paid-up share capital of the Transferee Company does not include the ESOPs outstanding for exercise under the Transferee Company ESOP Plan. Upon



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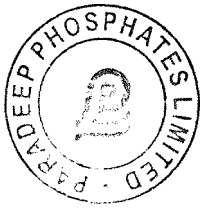
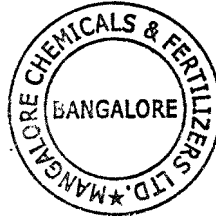




exercise of the Transferee Company Stock Options in accordance with the terms and conditions of the Transferee Company ESOP Plan, the Transferee Company shall be required to issue fully paid-up Equity Shares of the Transferee Company in accordance with the terms and conditions of the Transferee Company ESOP Plan to such holders of the Transferee Company Stock Options and accordingly the issued, subscribed, and paid-up share capital of the Transferee Company may undergo a change.

**F. DATE OF TAKING EFFECT OF THE SCHEME**

Part II of the Scheme shall be effective on and from the Appointed Date 2 and shall be operative on and from the Effective Date 2. Part III of the Scheme shall be effective on and from the Appointed Date 1 and shall be operative on and from Effective Date 1.



PART II

AMALGAMATION

**SECTION A: AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY**

**11. TRANSFER OF THE UNDERTAKING**

Upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, and subject to the provisions of this Scheme, including the completion of the Share Transfer as set out in Part III of this Scheme: (a) the Transferor Company shall stand amalgamated with and into the Transferee Company; and (b) the Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act and other Applicable Law, be and stand transferred to and vested in the Transferee Company, as a going concern and shall become the property of and an integral part of the Transferee Company by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, deed, matter or thing so as to become, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, and in accordance with Sections 230 to 232 and other applicable provisions of the Act, the Income Tax Act and Applicable Law.

**12. TRANSFER OF ASSETS**

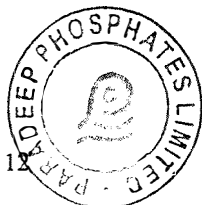
Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

- (a) all the estate, assets, rights, claims, title, interest, properties, and authorities comprised in the Undertaking shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become, the estate, assets, rights, claims, title, interest, properties, and authorities of the Transferee Company;
- (b) all assets of the Transferor Company, that are movable in nature (including investment in shares and marketable securities) or incorporeal property or that are otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by vesting and recordal or by operation of law pursuant to this Scheme, including without limitation equipment(s), furniture(s), fixture(s), book(s), record(s), file(s), paper(s), computer program(s), engineering and process information, manual(s), data, production methodology(ies), production plan(s), catalogues, quotation.(s), website(s), sales and advertising material, marketing strategy(ies), list of present and former customers, customer credit information, customer pricing information, and other record(s), whether in physical form or electronic form or in any other form, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed, stand transferred to and vested in and deemed to be transferred and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company;
- (c) all other movable assets of the Transferor Company (except those specified elsewhere in this Clause), including without limitation, actionable claims, earnest monies, receivables, bills, sundry debts and receivables, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Governmental Authority or other authorities or bodies, customers and any other Persons, cheques on hand, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed become the property of the Transferee Company, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any. The Transferor Company may, upon the receipt of



the Sanction Orders, if so required, also give notice in such form as it may deem fit and proper to the debtors or obligors or any other Person, that pursuant to the Sanction Orders, the said debtors should pay to the Transferee Company, the debt, investment, loan, claim, bank balances and deposit or advance of the Transferor Company or make the same on account of the Transferor Company and the right of the Transferor Company to recover and realize the same shall stand vested in the Transferee Company;

- (d) all immovable properties (including land, together with buildings and structures standing thereon), and rights, title and interests thereon or embedded to the land and all rights, title and interests and claims in any immovable properties of the Transferor Company, whether or not included in the books of the Transferor Company, whether freehold or leasehold or licensed or right of way or otherwise, all tenancies, and all documents of title, lease or license or rent agreements, security deposits, advance, prepaid lease/license fee, rights and easements in relation thereto, shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed on the same terms and conditions that exist with respect to the Transferor Company. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached to such immovable property including refund of any security deposits, advance, prepaid fee and shall be liable to pay the appropriate rent, rates and taxes and fulfill all obligations in relation to or applicable to such immovable properties. Upon Part II of the Scheme coming into effect on the Effective Date 2 and with on and from the Appointed Date 2, the title to all immovable properties shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing of the Sanction Orders with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The relevant Governmental Authorities may rely on the Scheme along with the copy of the Sanction Orders, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Transferee Company as the owner or lessee (as the case may be) of the immovable properties. The Transferee Company shall, upon receipt of the Sanction Orders be entitled to the delivery and possession of all documents of title in respect of such immovable property and incorporeal assets, if any, in this regard;
- (e) the Transferee Company will be entitled to all intellectual property of the Transferor Company, including patents, trade and service marks, logo, domain names, database rights, copyrights, trade secrets, know-how, brands, marketing authorisations, marketing tangibles, designs, industrial designs, software, confidential processes, inventions, licenses, computer programs, manuals, data, catalogues, sales material and any other intellectual property or proprietary right whether owned by, licensed or assigned to the Transferor Company, whether or not the same are registered, along with all rights including those attached to goodwill, title, interest, labels and brand registrations, and all such other industrial or intellectual rights of whatsoever nature, and all intellectual property of the Transferor Company shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company. Necessary filings, intimations, updates, etc., as may be required in terms of Applicable Law shall be undertaken with the relevant Governmental Authority, in order to reflect the foregoing and shall be carried out by the Transferee Company and Transferor Company, as may be applicable;
- (f) all goodwill and past track record of the Transferor Company, including without limitation, the profitability, experience, credentials and market share, shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company and shall be deemed to be the goodwill and track record of the Transferee Company for all commercial and regulatory purposes including the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients;
- (g) all bank accounts operated or entitled to be operated by the Transferor Company shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be deemed to have been transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the



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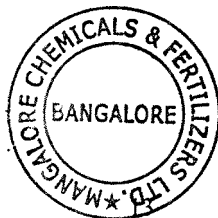


name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realize monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. It is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company on or after the Effective Date 2, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and

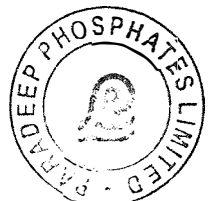
- (h) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instrument of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible for, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

13. **TRANSFER OF CONTRACTS, ETC.**

- (a) Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, subject to the provisions of this Scheme, all Contracts, insurance policies, applications, and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, and which are subsisting or have effect immediately before the Effective Date 2, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It is hereby clarified that upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all inter-se Contracts, and other instruments between the Transferor Company and the Transferee Company, if any, will stand cancelled and there shall be no further inter-se rights and obligations of the Transferor Company and the Transferee Company in this regard.
- (b) Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date 2, including without limitation all rights and benefits (including without limitation benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, by operation of law pursuant to the Sanction Orders without the requirement of any further act, instrument or deed, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of the Transferee Company.
- (c) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, in accordance with the provisions hereof, if so required under the Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any Contract to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings as a successor of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of



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the Transferor Company to be carried out or performed.

#### 14. **TRANSFER OF LICENSES AND APPROVALS**

- (a) Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all approvals, allotments, Consents, concessions, clearances, credits, awards, sanctions, exemptions, benefits, Tax deferrals, subsidies, incentives, refunds, grants, registrations, no-objection certificates, permits, quotas, rights, entitlements, assignments, authorisations, pre-qualifications, bids, acceptances, tenders, statutory licenses or other licenses (including the licenses granted by any Governmental Authority or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, privileges, powers, facilities, special status, letter of allotments and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date 2, including the benefits of any applications made for any of the foregoing, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be and remain in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- (b) It is hereby clarified that if the Consent of any third party or Governmental Authority is required to give effect to the provisions of this Clause, the said party or the Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal, and upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 in accordance with the terms hereof.

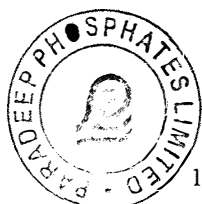
#### 15. **TRANSFER OF LIABILITIES**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or a foreign currency), sundry creditors, debentures, loans raised and used, advances duties and obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) of the Transferor Company of every kind, nature, and description whatsoever and howsoever arising and whenever due, raised or incurred or utilized for its business activities and operations (“Liabilities”), whether or not recorded in its books and records shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Effective Date 2 so as to become the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same.

#### 16. **TRANSFER OF ENCUMBRANCES**

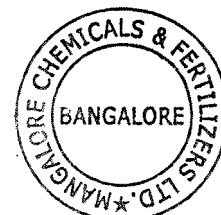
Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

- (a) the transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to Encumbrances, if any, affecting the same, as and to the extent hereinafter provided;
- (b) all Encumbrances over the Transferor Company’s assets existing immediately prior to the Effective Date 2, shall in so far as they secure or pertain to Liabilities of the Transferor Company, shall, after the Effective Date 2, continue to relate and attach to such assets or any



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part thereof to which they are related or attached prior to the Effective Date 2 and as are transferred to the Transferee Company. Such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company;

- (c) if any assets of the Transferor Company have not been Encumbered in respect of any Liabilities transferred pursuant to this Scheme, such assets shall remain unencumbered, and any existing Encumbrance shall not be extended to and shall not operate over any other assets of the Transferor Company or the Transferee Company. The holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits, and interests of the Transferor Company and therefore, assets of the Transferor Company or the Transferee Company which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company; and
- (d) any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and / or modification(s) of charge(s), with the RoC to give formal effect of the above provisions, if required.

#### 17. TRANSFER OF LEGAL AND OTHER PROCEEDINGS

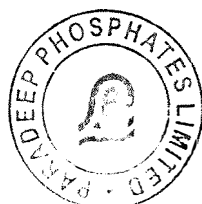
Without prejudice to the generality of Clause 11 above, upon the coming into effect of Part II of this Scheme on the Effective Date 2 and with effect from the Appointed Date 2:

- (a) any suits, actions, claims, cause of actions, appeals, legal or other proceedings (including tax proceedings), arbitration proceedings before any Governmental Authority or any other tribunal(s) and other proceedings of whatsoever nature (“**Proceedings**”) by or against the Transferor Company which is pending prior to the Effective Date 2 or which may be instituted at any time in the future, shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with and into the Transferee Company pursuant to and in accordance with this Scheme or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed;
- (b) the Transferee Company shall be deemed to be authorised under this Scheme to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

#### 18. TRANSFER OF EMPLOYEES

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2:

- (a) all persons who were employed in the Transferor Company immediately before the Effective Date 2 shall become employees of the Transferee Company pursuant to the Sanction Orders, on terms and conditions which are overall not less favourable than those that were applicable to such employees immediately prior to Effective Date 2 and without any break or interruption in service. It is clarified that such employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company are overall not less favourable than those that were applicable to such employees immediately before Effective Date 2;



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- (b) with regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme upon Part II of this Scheme coming into effect on the Effective Date 2, (i) all contributions made to such funds by the Transferor Company on behalf of such employees shall be deemed to have been made on behalf of the Transferee Company, and shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be, and (ii) all contributions made by such employees, including interests/ investments (which are referable and allocable to the employees transferred), shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be. Where applicable and required, in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the Sanction Orders, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company;
- (c) any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee past or present, forming part of the Transferor Company shall not abate, be discontinued or in any way prejudicially affected by reason of the Scheme and shall be continued/ continue to operate against the relevant employee and the Transferee Company shall be entitled to take any relevant action or sanction, without the requirement of any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company;
- (d) notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
- (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or
- (ii) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company.
- (e) the Transferee Company shall, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company, take into account the past services of such employees with the Transferor Company;
- (f) the Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with its employees; and
- (g) employment information, whether in physical or electronic form, including personnel files including hiring documents, payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations, where relevant), disciplinary records, supervisory files relating to the employees of Transferor Company and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Transferee Company pursuant to the Sanctions Orders.

#### 19. TREATMENT OF TAXES

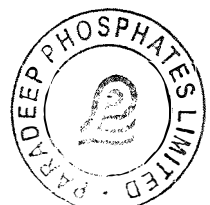
Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

- (a) all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the



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Transferor Company, including all or any refunds, claims or entitlements as to Tax credits, Taxes paid in advance, and / or Taxes deducted at source, and / or Taxes collected at source, including refunds or claims pending with the revenue authorities, if any, whether or not the same is reflected in Form 26AS/ Form AIS of the Transferor Company, shall, for all purposes be treated as the Taxes / cess / duties, liabilities or refunds of the Transferee Company by operation of law pursuant to the Sanctions Orders, without the requirement of any further act, instrument or deed;

- (b) all deductions otherwise admissible to Transferor Company including without limitation deduction admissible on actual payment or on deduction of appropriate Taxes or on payment of Tax deducted at source (including, but not limited to, claim for sum prescribed under Section 43B, Section 40, Section 35DD and Section 94B of the Income Tax Act, claim for deduction of provisions written back by the Transferor Company previously disallowed in the hands of Transferor Company under the Income Tax Act, claim for debt or part of debt written off by Transferor Company under Section 36(1)(vii) read with Section 36(2) of the Income Tax Act where such debt or part of debt were offered to Tax by the Transferor Company, and claim for any deferred payments) shall be eligible for deduction to the Transferee Company in the same manner and to the same extent as would have been enjoyed, availed or utilized by the Transferor Company before the Effective Date 2 by operation of law pursuant to the Sanctions Orders, without the requirement of any further act, instrument or deed;
- (c) the unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to service Tax / goods and service Tax on input goods consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission, as an integral part of the Scheme, by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed;
- (d) to the extent required, the Transferor Company and the Transferee Company shall be permitted to revise and file their respective financial statements, income Tax returns (including under Section 170A of the Income Tax Act, Tax deducted at source or Tax collected at source), withholding Tax returns (including Tax deducted at source certificates), sales Tax, value added Tax, service Tax, central sales Tax, entry Tax, goods and services Tax returns and any other Tax returns, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired;
- (e) the Transferee Company shall be entitled to: (i) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Effective Date 2; and (ii) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Effective Date 2;
- (f) notwithstanding anything to the contrary contained in the provisions of this Scheme, unabsorbed Tax depreciation and accumulated losses, if any, of the Transferor Company as on the Effective Date 2, shall, for all purposes, be treated as unabsorbed Tax depreciation and accumulated losses of the Transferee Company and the Transferee Company shall be eligible to set off unabsorbed Tax depreciation and accumulated losses, if any, of the Transferor Company as on the Effective Date 2 against future taxable income of the Transferee Company in the same manner and to the same extent as would have been enjoyed, availed or utilized by the Transferor Company before the Effective Date 2;
- (g) it is further clarified that any unabsorbed depreciation of the Transferor Company as specified in their respective books of account shall be included as unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate Tax;
- (h) any Tax liability under the Income Tax Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Effective Date 2, shall be transferred to the Transferee Company. Any surplus in the provision for taxation or duties or levies in the accounts of the Transferor



Company, including advance Tax and Tax deducted at source as on the close of business in India on the date immediately preceding the Effective Date 2 will also be transferred to the account of the Transferee Company, by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed;

- (i) all Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as on the Effective Date 2, shall be continued and / or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with and into the Transferee Company pursuant to and in accordance with this Scheme or anything contained in this Scheme;
  - (j) any refund under the Income Tax Act or any other tax laws related to or due to the Transferor Company, including those for which no credit is taken as on the date immediately preceding the Effective Date 2, shall also belong to and be received by the Transferee Company; and
  - (k) without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax (if applicable)) to which the Transferor Company is entitled to in terms of applicable tax laws, shall be available to and vest in the Transferee Company by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed.
20. The Transferee Company and the Transferor Company shall, respectively, take such actions as may be necessary and permissible in order to give formal effect to the provisions of Part II of this Scheme, including, without limitation, making appropriate filings with any Person (including the relevant Governmental Authorities), and such Person (including the relevant Governmental Authorities) shall take the same on record, and shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 in accordance with the terms hereof.
21. The Transferee Company shall, at any time after Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, if so required under Applicable Laws, do all such acts or things as may be necessary to transfer/ obtain the approvals, Consents, Contracts, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company, including in connection with the transfer of properties of the Transferor Company to the Transferee Company. The Transferee Company shall file appropriate applications/ documents and make appropriate filings with the relevant authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above on behalf of the Transferor Company, inter alia, in its capacity as the successor entity of the Transferor Company.

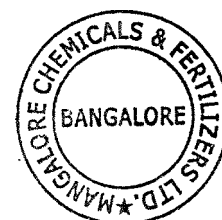
#### **SECTION B: CONSIDERATION FOR AMALGAMATION**

22. The Board of the Transferee Company shall determine the Record Date for the issue and allotment of Equity Shares to the shareholders of the Transferor Company.
23. Upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 and in consideration of the amalgamation including the transfer and vesting of the Undertaking of the Transferor Company with the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further application, act, instrument or deed issue and allot to each equity shareholder of the Transferor Company as on the Record Date, 187 (One Hundred and Eighty Seven) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferee Company for every 100 (One Hundred) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferor Company.

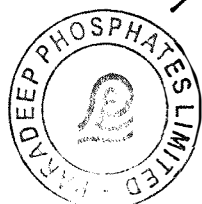


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24. The share exchange ratio stated in Clause 23 above has been taken on record and approved by the Boards of each of the Transferor Company and Transferee Company after taking into consideration the joint valuation report dated February 7, 2024 provided by SSPA & CO., Chartered Accountants and Pawan Shivkumar Poddar, both who are Registered Valuers issued to the Transferor Company and the Transferee Company.
25. The Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Company pursuant to Clause 23 of Section B of Part II of this Scheme shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company, including with respect to dividend, bonus, voting rights and other corporate benefits attached to the Equity Shares of the Transferee Company. The Equity Shares of the Transferee Company issued pursuant to Clause 23 of Section B of Part II and in lieu of the locked-in shares of the Transferor Company, if any, will be subject to lock-in for the remaining lock-in period of such locked-in shares, in accordance with the SEBI Scheme Circular.
26. If any shareholder of the Transferor Company becomes entitled to a fractional Equity Share to be issued by the Transferee Company pursuant to Clause 23 of Section B of Part II of this Scheme, the Transferee Company shall not issue such fractional Equity Share to such shareholder of the Transferor Company, but shall consolidate all such fractional entitlements of all shareholders of the Transferor Company and the Board of the Transferee Company shall, without the requirement of any further act, instrument or deed, issue and allot such Equity Shares that represent the consolidated fractional entitlements to a trustee nominated by the Board of the Transferee Company (“Trustee”) and the Trustee shall hold such Equity Shares, with all additions or accretions thereto, in trust for the benefit of the shareholders of the Transferor Company who are entitled to the fractional entitlements (and their respective heirs, executors, administrators or successors) for the specific purpose of selling such Equity Shares in the market within a period of 90 (ninety) days from the date of allotment of shares, and on such sale, distribute to the shareholders in proportion to their respective fractional entitlements, the net sale proceeds of such Equity Shares and dividends or distributions made on such Equity Shares (after deduction of applicable Taxes and costs incurred and subject to withholding Tax, if any). It is clarified that any such distribution shall take place only after the sale of all the Equity Shares of the Transferee Company that were issued and allotted to the Trustee pursuant to this Clause 26.
27. The Equity Shares issued by the Transferee Company in terms of Clause 23 of Section B of Part II of the Scheme shall be issued in dematerialized form and the register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of such Equity Shares by the Transferee Company in terms of this Scheme. The shareholders of the Transferor Company who hold equity shares in the Transferor Company in physical form shall provide requisite details relating to his/ her/ its accounts with a depository participant to the Transferee Company prior to the Effective Date 2 to enable the Transferee Company to issue Equity Shares in terms of Clause 23 of Section B of Part II of the Scheme.
- However, if no such details have been provided to the Transferee Company by the relevant shareholder(s) holding equity shares in the Transferor Company in physical form prior to the Effective Date 2, the Transferee Company shall issue the corresponding Equity Shares in dematerialized form to the trustee nominated by the Board of the Transferee Company who shall hold such Equity Shares in trust for the benefit of the relevant shareholder(s) of the Transferor Company.
28. Upon Part II of this Scheme coming into effect on the Effective Date 2 and upon the Equity Shares of the Transferee Company being issued and allotted by it to the equity shareholders of Transferor Company in terms of Clause 23 of Section B of Part II of this Scheme, the Equity Shares of the Transferor Company, shall be deemed to have been automatically cancelled, and any liability in respect of the same shall stand extinguished.
29. The Equity Shares allotted and issued in terms of Clause 23 of Section B of Part II of this Scheme, shall be listed and/or admitted to trading on the Stock Exchanges, where the Equity Shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall make all requisite applications, and take all steps to list the Equity Shares issued and allotted pursuant to



Clause 23, listed on the Stock Exchanges and obtain the final listing and trading permissions for such Equity Shares.

30. The Equity Shares issued and allotted in terms of Clause 23 of Section B of Part II of this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchange with respect to such Equity Shares.
31. Upon the Scheme coming into effect in accordance with its terms, in addition to the existing promoters of the Transferee Company (i.e., Zuari Maroc Phosphates Private Limited), Akshay Poddar, Shradha Agarwala, Jyotsna Poddar, Gaurav Agarwala, Zuari Agro Chemicals Limited, Adventz Finance Private Limited, Zuari Industries Limited and their affiliates (if any), shall each be and deemed to be the “promoters” of the Transferee Company.
32. On the approval of this Scheme by the Board and members of each of the Transferor Company and the Transferee Company pursuant to Sections 230-232 of the Act and other relevant provisions of the Act, if applicable, it shall be deemed that the Board and members of each of the Transferee Company and Transferor Company have also accorded their consent under Sections 13, 42, 61, 62(1)I and 64 of the Act and/ or any other applicable provisions of the Act and the relevant provisions of the Articles, as may be applicable, for the aforesaid issuance of Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company and amendment of the memorandum of association of the Transferee Company for reclassification and enhancement of the authorised share capital of the Transferee Company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Sections 13, 42, 61, 62(1)(c) or 64 of the Act and/ or any other applicable provisions of the Act. Upon Part II of this Scheme coming into effect on the Effective Date 2, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of the Act with the RoC or any other applicable Governmental Authority to record the amalgamation of Transferor Company with and into the Transferee Company, issuance of Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company, amendment of the memorandum of association of the Transferee Company and dissolution of the Transferor Company, in the manner set out in Section C of Part II of this Scheme.
33. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.

#### **SECTION C: DISSOLUTION OF THE TRANSFEROR COMPANY**

34. Upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, subject to Clause 49 of Part IV, the Transferor Company shall, without the requirement of any further act, instrument or deed, stand dissolved without winding up pursuant to the Sanction Orders.
35. On and from the Effective Date 2, subject to Clause 49 of Part IV: (i) the Board of the Transferor Company, shall, without the requirement of any further acts, resolutions, filings, instruments, or deeds, cease to exist and stand dissolved; and (ii) the name of the Transferor Company shall be struck off from the records of the RoC.

#### **SECTION D: ACCOUNTING TREATMENT**

36. Notwithstanding anything to the contrary contained in the Scheme, pursuant to Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company shall account for the amalgamation of the Transferor Company with the Transferee Company in its books of account as per the acquisition method in accordance with accounting principles as laid down in the Indian Accounting Standard 103 (Business Combinations), notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and relevant clarifications issued by the Institute of Chartered Accountants of India.

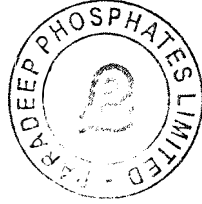


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37. As the Transferor Company shall stand dissolved without being wound up upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, as mentioned in Section C of Part II of this Scheme, there shall be no accounting treatment in the books of account of the Transferor Company.



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**PART III**

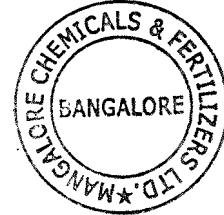
**TRANSFER OF SHARES OF THE TRANSFEROR COMPANY**

38. In order to ensure that the existing promoter group of the Transferee Company continues to hold more than 50% (fifty percent) of the share capital of the Transferee Company upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, as an integral part of the Scheme, the Transferor Shareholder shall transfer the Identified Shares to the Transferee Shareholder, in accordance with Applicable Law, such that upon the transfer of the Identified Shares by the Transferor Shareholder to the Transferee Shareholder on the Effective Date 1, the Transferee Shareholder receives full legal and beneficial ownership of the Identified Shares and all rights, title and interest relating thereto, including all dividends, distributions or any return of capital declared, paid or made by the Transferor Shareholder, free and clear of Encumbrances (“Share Transfer”). The Transferee Shareholder may raise funds / financing from its shareholder(s) and/or from external source(s) (as may be required) to fund the Share Transfer as contemplated in this Part III of the Scheme.
39. The transfer of all the Identified Shares from the Transferor Shareholder to the Transferee Shareholder shall take place on the Effective Date 1, at a price of INR 144 (Indian Rupees One Hundred and Forty Four) per Identified Share, and the Transferee Shareholder shall pay an aggregate cash consideration of INR 564.57 Crores (Indian Rupees Five Hundred and Sixty Four Crores and Fifty Seven Lakhs approximately) for the Share Transfer, subject to any Taxes that need to be deducted at source, if any.
40. All Taxes payable under Applicable Law, including income Tax, capital gains Tax or any other Tax, if any, relating to the transfer of the Identified Shares as may be applicable on the Transferor Shareholder shall be the sole responsibility of the Transferor Shareholder.
41. The Share Transfer shall take place and come into effect on the Effective Date 1 and with effect from the Appointed Date 1.



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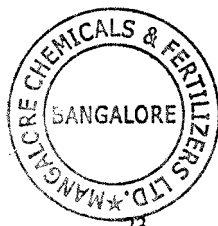


## PART IV

### GENERAL TERMS AND CONDITIONS

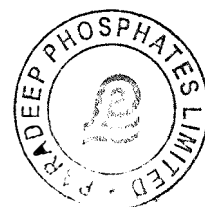
#### 42. **TRANSFER OF THE AUTHORIZED SHARE CAPITAL AND AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY**

- (a) As an integral part of this Scheme and upon Part II of the Scheme coming into effect on the Effective Date 2, the authorised share capital of the Transferor Company, comprised of INR 1,24,00,00,000 (Indian Rupees One Hundred and Twenty Four Crores only) of equity share capital, divided into 12,40,00,000 (Twelve Crores Forty Lakhs) equity shares of face value of INR 10 (Indian Rupees Ten only) each and INR 6,00,00,000 (Indian Rupees Six Crores only) of preference share capital divided into 6,00,000 (Six Lakhs) 13% (thirteen percent) redeemable cumulative preference shares of face value of INR 100 (Indian Rupees One Hundred only) each, shall stand reclassified entirely as INR 1,30,00,00,000 (Indian Rupees One Hundred and Thirty Crores only) of equity share capital, divided into 13,00,00,000 (Thirteen Crores) equity shares of face value of INR 10 (Indian Rupees Ten only) each, and shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company.
- (b) As a consequence, the authorised share capital of the Transferee Company as set out in Clause 10(b) of Part I of this Scheme shall stand enhanced to INR 1,130,00,00,000 (Indian Rupees One Thousand One Hundred and Thirty Crores only) divided into 103,00,00,000 (One Hundred and Three Crores) equity shares of face value of INR 10 (Indian Rupees Ten only) each and INR 100,00,00,000 (Indian Rupees One Hundred Crores only) divided into 1,00,00,000 (One Crore) and 7% (seven percent) non-cumulative redeemable preference shares of face value of INR 100 (Indian Rupees One Hundred only) each, without the requirement of any further act, instrument or deed, and the liability of the Transferee Company for payment of any additional fees or stamp duty in respect of such increase shall be limited to the difference between the fee or stamp duty payable by the Transferee Company on its increased authorized share capital after this entire Scheme comes into effect, and the fee or stamp duty paid by the Transferor Company, if any, on its authorised share capital, from time to time.
- (c) Subsequent to the reclassification and enhancement of the authorised share capital of the Transferee Company as contemplated in this Clause 42, the authorised share capital clause of the Memorandum of Association (Clause V) of the Transferee Company shall stand modified and read as follows:
- “The Authorised Share Capital of the Company is INR 1,130,00,00,000 (Indian Rupees One Thousand One Hundred and Thirty Crores only) divided into 103,00,00,000 (One Hundred and Three Crores) Equity Shares of face value INR 10 (Indian Rupees Ten only) amounting to INR 1,030,00,00,000 (Indian Rupees One Thousand and Thirty Crores only), and 1,00,00,000 (One Crore) 7% (seven percent) Non-Cumulative Redeemable Preference Shares of face value INR 100 (Indian Rupees One Hundred only) each amounting to INR 100,00,00,000 (Indian Rupees One Hundred Crores only) with a power to increase or reduce the capital of the Company in accordance with the provisions of the Companies Act, 2013 and to classify or reclassify the Share Capital.”*
- (d) For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferor Company and/or the Transferee Company, as the case may be, undergoes any change, prior to Part II of this Scheme coming into effect on the Effective Date 2, then this Clause 42 of Part IV of this Scheme shall automatically stand modified/ adjusted accordingly to take into account the effect of such change.
- (e) On the approval of this Scheme by the Board and the members of the Transferor Company and Transferee Company pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and the rules made thereunder, the SEBI Scheme Circular and the SEBI LODR Regulations, if applicable, it shall be deemed that the Board and the members of the Transferor Company and Transferee Company have also accorded their consent under Sections 13, 61 and 64 of the Act and/ or any other applicable provisions of the Act



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and the rules made thereunder, the relevant provisions of the SEBI LODR Regulations and the Articles, as may be applicable, for effecting the aforesaid reclassification, amendment and increase in the authorised share capital of the Transferee Company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferor Company and/or the Transferee Company under Sections 13, 61 or 64 of the Act and/ or any other applicable provisions of the Act and the rules made thereunder, the relevant provisions of the SEBI LODR Regulations and/or the Articles. Upon Part II of this Scheme coming into effect on the Effective Date 2, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and the rules made thereunder with RoC or any other applicable Governmental Authority in respect of the aforesaid reclassification, amendment and increase in the authorised share capital of the Transferee Company, in the manner contemplated under this Clause 42 of Part IV of this Scheme.

43. **VALIDITY OF EXISTING RESOLUTIONS**

The resolutions and powers of attorney of / or executed by the Transferor Company shall upon Part II of the Scheme coming into effect on Effective Date 2, stand terminated and revoked, and all authorities granted (including powers of attorney and board resolutions passed granting authority(ies) to Persons), to represent or act for and on behalf of the Transferor Company, including any authority granted to any Person(s) who is not an employee of the Transferor Company, to represent, interact or deal with, or enter into any arrangement with, any Governmental Authority, for and on behalf of the Transferor Company shall stand terminated and revoked.

44. **APPLICATIONS TO GOVERNMENTAL AUTHORITIES**

- (a) The Transferor Company and the Transferee Company shall make all necessary application(s) and petition(s) to the Tribunal under Sections 230 to 232 and other applicable provisions of the Act and the rules made thereunder, for sanction of this Scheme and all matters ancillary or incidental thereto, under provisions of Applicable Law and obtain such other approvals, as required under Applicable Law.
- (b) Upon Part II of the Scheme being effective from the Effective Date 2, the members of the Transferee Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act and the rules made thereunder and Applicable Law for giving effect to the provisions contained in this Scheme.
- (c) The Transferee Company and the Transferor Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority (including the Ministry of Chemicals and Fertilizers), if required under any Applicable Law for such Consents and approvals, as agreed between the Transferee Company and the Transferor Company, which they may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed.

45. **CONDITIONS PRECEDENT TO EFFECTIVENESS**

Part III of the Scheme shall become effective on the date on which the last of the following conditions are fulfilled (“**Effective Date 1**”):

- (i) Approval of the members:
  - 1. the requisite majorities in number and value of such classes of members of each of the Transferor Company and Transferee Company, as may be directed by the Tribunals or any other competent authority, as may be applicable, approving this Scheme; and
  - 2. this Scheme being approved by the public shareholders of each of the Transferor Company and the Transferee Company through e-voting in terms of paragraph 10(a) of Part I of the SEBI Scheme Circular and the votes cast by the public shareholders of the Transferor Company and the Transferee Company in favour of this Scheme being more than the number of votes cast by public shareholders of the Transferor Company and the Transferee Company (respectively) against this Scheme,



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in each case, in compliance with the provisions of the Act, the SEBI Scheme Circular and / or the SEBI LODR Regulations.

- (ii) the requisite majorities in number and value of such classes of secured and/or unsecured creditors of Transferor Company and Transferee Company, as applicable, as may be directed by the Tribunal or any other competent authority, as may be applicable, approving this Scheme;
- (iii) the Transferee Company and Transferor Company having procured the approval of the CCI to consummate this Scheme, in accordance with the provisions of Applicable Laws, in a form and substance satisfactory to each of the Transferor Company and the Transferee Company;
- (iv) the Stock Exchanges having issued their observation/no-objection letters as required under the SEBI LODR Regulations read with the SEBI Scheme Circular, in a form and substance satisfactory to each of the Transferor Company and the Transferee Company;
- (v) receipt of the Sanction Orders under the provisions of Sections 230-232 of the Act and receipt of certified copies of the Sanction Orders;
- (vi) the certified copies of the Sanction Orders having been filed by the Transferor Company and the Transferee Company (as the case may be), with the respective RoC within the timeline specified under Applicable Law;
- (vii) the satisfaction (or waiver in writing) of such other conditions precedent as have been mutually agreed between the Transferor Company and the Transferee Company in writing, in the Merger Cooperation Agreement.

46. The Scheme shall not come into effect unless the aforementioned conditions precedent mentioned in Clause 45 above are satisfied (or to the extent permissible under Applicable Law, waived by the Transferee Company) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other Person.

47. Each of the Transferor Company and the Transferee Company shall file the Sanction Orders with the respective RoC within the timeline specified under Applicable Law. In case Part II of the Scheme does not become effective on Effective Date 2 and Part III of the Scheme does not become effective on Effective Date 1, within a period of 30 (thirty) days of receipt of respective Sanction Orders, the Transferor Company and the Transferee Company (as the case may be) shall be entitled to promptly file the Sanction Orders with the respective RoC in the requisite form(s), along with the necessary clarification letter(s), as may be required, within the time period prescribed under Applicable Law or the Sanction Orders. Upon Part II of the Scheme coming into effect in accordance herewith, the Transferor Company and the Transferee Company (as the case may be) shall file the requisite form(s), along with the necessary letter(s), as may be required, with their respective RoC.

48. The amalgamation of the Transferor Company with the Transferee Company pursuant to Part II of this Scheme shall be operative on and from the Effective Date 2 and shall be effective on and from the Appointed Date 2.

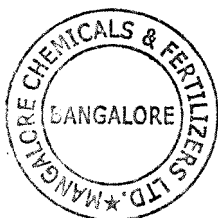
49. **SEQUENCING OF ACTIONS**

The Scheme shall be implemented in the following sequence:

*Firstly, the following action under Part III of this Scheme shall occur on the Effective Date 1:*

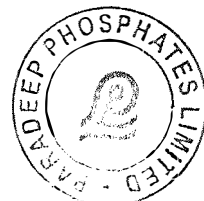
- (a) Transfer of Identified Shares from the Transferor Shareholder to the Transferee Shareholder in accordance with Part III of this Scheme;

*Subsequently and only after the action stated in (a) above has been undertaken and the Share Transfer having consummated, the following actions under Part II and Part IV of this Scheme shall occur pursuant to the effectiveness of Part II of this Scheme:*



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- (a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with Part II of this Scheme;
- (b) transfer of the authorised share capital of the Transferor Company to the Transferee Company in accordance with Clause 42 of Part IV of this Scheme, and consequential increase in the authorised share capital of the Transferee Company;
- (c) dissolution of the Transferor Company without winding-up in accordance with Clause 34 of Section C of Part II of this Scheme; and
- (d) issue and allotment of Equity Shares of the Transferee Company by the Transferee Company to the equity shareholders of the Transferor Company (as of the Record Date) in accordance with Clause 23 of Section B of Part II of this Scheme.

50. **MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

The Transferor Company and Transferee Company will be at liberty to apply to the respective Tribunal from time to time for necessary directions in matters relating to this Scheme or any terms hereof, in terms of the Act and the rules made thereunder.

Subject to the provisions of the SEBI Scheme Circular, the Transferee Company and the Transferor Company may, by mutual written consent and acting through their respective Boards (which shall include any committee constituted by the respective boards), assent to any modifications/ amendments to this Scheme and/ or to any conditions or limitations that the Tribunals or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.

51. **REMOVAL OF DIFFICULTIES**

The Transferor Company or Transferee Company (as the case maybe), may, by mutual consent and acting through their respective authorised representatives, agree to take all such steps as may be necessary, desirable or proper to resolve all doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the Tribunals or any other Governmental Authority or otherwise, howsoever arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

52. **WITHDRAWAL OF THE SCHEME**

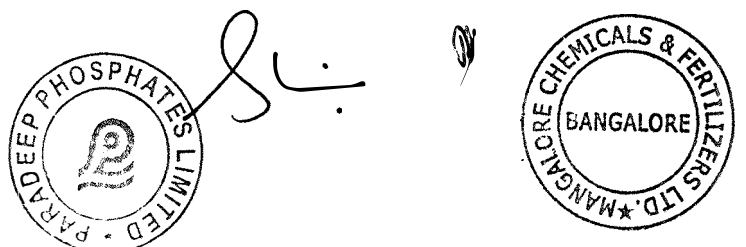
The Scheme shall be withdrawn from the Tribunals by the Transferor Company and the Transferee Company upon the occurrence of the following events:

- (a) by mutual consent of the Transferor Company and the Transferee Company, acting through their respective board of directors; or
- (b) upon termination of the Merger Cooperation Agreement.

53. **TAX NEUTRALITY**

This Scheme is in compliance with the provisions relating to “Amalgamation” as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, such that, *inter alia* upon Part II of this Scheme becoming effective on the Effective Date 2 and with effect from the Appointed Date 2:

- (a) all the properties of the Transferor Company, immediately before the Effective Date 2, shall become the properties of the Transferee Company, by virtue of the amalgamation;
- (b) all the Liabilities of the Transferor Company, immediately before the Effective Date 2, shall become the liabilities of the Transferee Company, by virtue of the amalgamation; and



- (c) shareholders holding at least 3/4<sup>th</sup> (three-fourths) in value of the shares in the Transferor Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) will become shareholders of the Transferee Company by virtue of the amalgamation.

If any terms or provisions of this Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income Tax Act, the provisions of Section 2(1B) of the Income Tax Act shall prevail and this Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income Tax Act and such modification shall not affect other terms or provisions of this Scheme.

**54. ENTIRE EFFECT**

Each section of this Scheme is inextricably inter-linked with the other sections and the Scheme shall be given effect only in its entirety in the sequence set out in Clause 49 of Section IV of the Scheme.

**55. COSTS**

- (a) The Transferor Company and the Transferee Company agree that it shall bear by itself all own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the Tribunals, including without limitation, costs and expenses associated with retention of financial, legal, tax and other professional advisers, and in connection with any valuation report and the fairness opinion issued by their respective valuers and merchant bankers.
- (b) Save as otherwise agreed, all stamp, transfer, registration, and other similar taxes, duties, charges and fees (including in relation to the registration and the stamping of the Sanction Orders) payable or assessed in connection with this Scheme, the issuance of Equity Shares by the Transferee Company and the transfers contemplated by the Scheme shall be borne by the Transferee Company and the Transferee Company shall be entitled to claim deduction of all such expenses in accordance with the provisions of Section 35DD of the Income Tax Act.

**56. SEVERABILITY**

If any provision of this Scheme becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Scheme, and the Transferor Company and the Transferee Company will negotiate in good faith to agree to replace such illegal, void, or unenforceable provision of this Scheme with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision or act in accordance with a judgment, order, decree, or declaration made by a court of competent jurisdiction. The balance of this Scheme shall be enforceable in accordance with its terms.

**57. REPEAL AND SAVING**

The provisions of the Act and rules made thereunder shall not be required to be separately complied with, in relation to acts done by the Transferor Company or the Transferee Company as per direction of the Tribunal or the Sanction Orders.



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<b>SSPA &amp; CO.</b> <b>Chartered Accountants</b> Registered Valuer - Securities or Financial Assets IBBI Registration No. IBBI/RV-E/06/2020/126 1st Floor, "Arjun" Plot No. 6A, V.P. Road, Andheri (West) Mumbai – 400 058	<b>Pawan Shivkumar Poddar</b> Registered Valuer - Securities and Financial Assets IBBI Registration Number: IBBI/RV/06/2019/12475 B 116/117, Durian Estate, Goregaon Mulund Link Road, Goregaon East, Mumbai 400 063
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Date: February 07, 2024

To,  
The Audit Committee / Board of Directors,  
Paradeep Phosphates Limited,  
5th floor, Orissa State Handloom Weavers'  
Co-operative Building, Pandit J.N Marg,  
Bhubaneshwar – 751 001, Orissa

To,  
The Audit Committee / Board of Directors,  
Mangalore Chemicals and Fertilizers Limited  
Level 11, UB Tower,  
UB City 24, Vittal Mallya Road,  
Bengaluru - 560 001, Karnataka

**Subject: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Mangalore Chemicals and Fertilizers Limited ('MCFL') with Paradeep Phosphates Limited ('PPL')**

Dear Sir/Madam,

We refer to the engagement letters dated December 18, 2023 whereby, SSPA & Co., Chartered Accountants - Registered Valuer – Securities or Financial Assets (hereinafter referred to as 'SSPA') and Pawan Shivkumar Poddar, Registered Valuer – Securities and Financial Assets (hereinafter referred to as 'PSP') have been appointed by Paradeep Phosphates Limited (hereinafter referred to as 'PPL') and engagement letters dated December 19, 2023 whereby, SSPA and PSP have been appointed by Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as 'MCFL') to recommend a fair equity share exchange ratio for the proposed amalgamation of MCFL with PPL ('Proposed Amalgamation'), as more particularly provided for in the Draft Composite Scheme of Arrangement.

PPL and MCFL are hereinafter together referred to as the 'Transacting Companies' or 'the Companies' or 'the Clients' or 'the Valuation Subjects' and individually referred to as "Company", as the context may require.

SSPA and PSP are hereinafter jointly referred to as "Valuers" or "we" or "us" in this report.

The Management including the Board of Directors of the Transacting Companies shall together be referred to as 'the Management'.

This report sets out our scope of work, background, sources of information, procedures performed by us and our recommendation of the fair equity share exchange ratio.





## **COMPANIES BACKGROUND**

### **Paradeep Phosphates Limited ('PPL' or 'Transferee Company')**

- PPL is primarily engaged in the business of manufacturing Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District: Jagatsinghpur, Odisha and at Zuari Nagar, Goa.
- PPL is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. PPL caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers.
- The equity shares of PPL are listed on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- The standalone revenue from operations of the Transferee Company for nine months period ended December 31, 2023 is INR 9,332.38 crores.

### **Mangalore Chemicals and Fertilizers Limited ('MCFL' or 'Transferor Company')**

- MCFL is primarily engaged in the business of manufacturing, purchase and sale of fertilisers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka.
- MCFL mainly sells in the states of Karnataka, Kerala and in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra.
- MCFL is a subsidiary of Zuari Agro Chemicals Limited ('ZACL'), an Adventz Group company.
- The equity shares of MCFL are listed on both NSE and BSE.
- The revenue from operations of the Transferor Company for nine months period ended December 31, 2023 is INR 3,009.05 crores.



## **BACKGROUND OF VALUERS**

### **SSPA & CO., CHARTERED ACCOUNTANTS**

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with the ICAI. We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

### **PAWAN SHIVKUMAR PODDAR, REGISTERED VALUER – SECURITIES AND FINANCIAL ASSETS**

PSP is a practicing Chartered Accountant registered with The Institute of Chartered Accountants of India ('ICAI') and located at B 116/117, Durian Estate, Goregaon Mulund Link Road, Goregaon East, Mumbai 400 063. I am also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities and Financial Assets' with Registration No. IBBI/RV/06/2019/12475. .



## **SCOPE AND PURPOSE OF THIS REPORT**

We understand that the Managements of the Transacting Companies are contemplating a composite scheme of arrangement, wherein they intend to amalgamate MCFL with PPL in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued therein ("the Regulations"), in each case, as amended from time to time, and in a manner provided in the Draft Composite Scheme of Arrangement (hereinafter referred to as 'the Scheme').

We understand that as consideration for the proposed amalgamation of MCFL with PPL, equity shares of PPL would be issued to equity shareholders of MCFL.

In this connection, Transacting Companies have appointed SSPA and PSP, Registered Valuers under the Companies Act, 2013, to submit a joint valuation report recommending the fair equity share exchange ratio to Audit Committee / Board of Directors of the Companies for the Proposed Amalgamation (hereinafter referred to as "Report").

We understand that the appointed date for the Proposed Amalgamation shall be such date as mentioned in the Scheme or such other date as the National Company Law Tribunal ('NCLT') may direct.

For the purpose of this Report, we have considered Valuation Date to be February 06, 2024 ('Valuation Date').

The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of the Transacting Companies using internationally accepted valuation methodologies as may be applicable to the Transacting Companies and then arrive at the fair equity share exchange ratio and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 ('ICAI VS') notified by ICAI and requirement prescribed by the regulations applicable to listed companies as prescribed by SEBI.

The Valuers have worked independently in their analysis. The Valuers have independently arrived at different values per share of the Valuation Subjects. However, to arrive at the consensus on the fair equity share exchange ratio for the Proposed Amalgamation, appropriate minor adjustments, rounding-off has been done in the values arrived at by the Valuers.

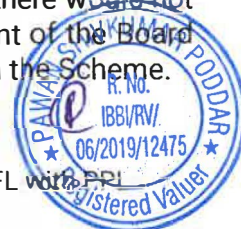
We have been provided with the limited reviewed financial statements of PPL and MCFL for the nine months period ended December 31, 2023. We have taken into consideration the current market parameters in our analysis and have adjusted for additional facts made known to us till the date of our Report. The Management has informed us that there are no unusual / abnormal events in the Transacting Companies materially impacting their operating / financial performance after December 31, 2023, until the Report Date. Further, we have been informed by the Management that to the best of their knowledge, material information regarding the business of each of the Transacting Companies has been disclosed to us.

We have relied on the above while arriving at fair equity share exchange ratio for the Proposed Amalgamation.

We have been informed that:

- a) With effect from the appointed date, and up to and including the effective date, there would not be any capital variation in the Transacting Companies except by mutual consent of the Board of Directors of Transacting Companies or such other events as contemplated in the Scheme.

Recommendation of fair equity share exchange ratio for the proposed amalgamation of MCFL with PPL



- b) Till the Proposed Amalgamation becomes effective, neither of the Transacting Companies would declare any dividend which are materially different from those declared in the past few years.
- c) There would be no significant variation between the draft Scheme of arrangement and the final scheme approved and submitted with the relevant authorities.

We have been informed that, in the event either of the Transacting Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares / merger / demerger / reduction of share capital before the Scheme becomes effective, the issue of shares pursuant to the fair equity share exchange ratio recommended in this Report shall be adjusted accordingly to consider the effect of any such corporate actions.

This Report is our deliverable for the above engagement and is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter.

As such, the Report is to be read in totality and not in parts and in conjunction with the relevant documents referred to therein.



### **SOURCES OF INFORMATION**

In connection with this exercise, we have received / obtained the following information about the Transacting Companies from the Management of the respective company:

- Audited financial statements of PPL and MCFL for the financial year ended March 31, 2023;
- Limited reviewed financial statements of PPL and MCFL for the nine months period ended December 31, 2023 ('9ME Dec23');
- Financial Projections of PPL and MCFL which represents the Management's best estimate of the future financial performance of the Transacting Companies ('Management Projections');
- Draft Composite Scheme of Arrangement;
- Discussions with the Managements to obtain requisite explanation and clarification of data provided, to inter-alia understand their perception of historical and expected future performance of PPL and MCFL;
- Information available in public domain and databases subscribed by us; and
- Other relevant information and documents for the purpose of this engagement.

During the discussions with the Management, we have also obtained explanations, information and representations, ~~which we believed were reasonably necessary and relevant for our exercise.~~ Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by us in any detail, if not considered relevant for the defined scope. The Clients have been provided with the opportunity to review the draft report (excluding the recommended fair equity share exchange ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our Report.



## **PROCEDURES ADOPTED**

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and operational information.
- Used data available in public domain related to the Companies and their peers.
- Discussions (physical / over call) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
  - Enquire about the historical financial performance, current state of affairs, business plans, and the future performance estimates.
- Identification of suitable comparable companies in discussion with the Management.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation.
  - Analysis of key trends and valuation multiples of comparable companies using proprietary databases subscribed by us.
- Obtained and analysed market prices, volume data and other relevant information for the Companies.
- Reviewed the financial projections provided by the Management for the Companies including understanding basis of preparation and the underlying assumptions.
- Selection of appropriate internationally accepted valuation methodology/(ies), after deliberations and consideration to the sector in which the Transacting Companies operate and analysis of their business operations.
- Arrived at the equity value of the Transacting Companies in order to determine fair equity share exchange ratio for the Proposed Amalgamation.





## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This Report is subject to the limitations detailed in respective engagement letters. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

This Report, its contents and the results herein are specific and subject to

- the purpose of valuation agreed as per the terms of our engagement;
- the date of this Report ("Report Date");
- limited reviewed financial statements of the Companies for 9ME Dec23;
- financial projections and underlying assumptions as provided by the Management of the Companies;
- accuracy of the information available in public domain with respect to the comparable companies identified including financial information;
- market price reflecting the fair value of the underlying equity shares of the Companies; and
- data detailed in the Section - Sources of Information.

We have been informed that the business activities of Transacting Companies have been carried out in the normal and ordinary course between December 31, 2023 and the Report Date and that no material changes have occurred in their respective operations and financial position between December 31, 2023 and the Report Date.

Valuation analysis and results are specific to the purpose of valuation and as per the agreed terms of the respective engagements. It may not be valid for any other purpose or as of any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. This Report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair equity share exchange ratio for the Proposed Amalgamation. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

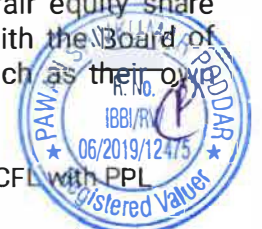
The recommendation rendered in this Report only represent our recommendation based upon information furnished by the Companies and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the Management / Board of Directors of the respective Company and our work and findings shall not constitute recommendation as to whether or not the Management / the Board of Directors of the Company should carry out the Proposed Amalgamation.

The determination of fair value for arriving at fair equity share exchange ratio is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value.

While we have provided our recommendation of the fair equity share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the fair equity share exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Transacting Companies, who should consider other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

Recommendation of fair equity share exchange ratio for the proposed amalgamation of MCFL with PPL



In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of our respective engagements, we have carried out relevant analysis and evaluations through discussions, calculations and such other means, as may be applicable and available. We have assumed and relied upon, without independently verifying (i) the accuracy of the information that was publicly available, sourced from subscribed databases; and (ii) the accuracy of information made available to us by the Companies; both of which formed a substantial basis for this Report. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. In accordance with the terms of our engagement / appointment letters and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical financials / financial information or individual assets or liabilities, provided to us regarding the Companies / subsidiary / associates / joint ventures / investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in such historical financials / financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by / on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis / results.

It may herein be noted that the projections are responsibility of the Management. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, or examination of any of the historical or prospective information used and therefore, we do not express any opinion with regard to the same.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. This Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited / unaudited balance sheets of the Companies. No investigation of Companies' claims to title of assets has been made for the purpose of this Report and Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest balance sheets remain intact as of the Report Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Clients are the only authorized user of this Report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Clients from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this report. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Clients or Companies, their directors, employees or agents. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.





We accept no responsibility or any direct or indirect liability towards any third party including but not limited to any person, who may have been provided a copy of this Report for intended use in connection with the Scheme and hence, no party other than the Client shall have any recourse to us in relation to this engagement. In no event, we shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

We have not carried out any physical verification of the assets and liabilities of the Transacting Companies and take no responsibility for the identification of such assets and liabilities.

This Report does not look into the business / commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of fair equity share exchange ratio for the Proposed Amalgamation only.

We must emphasize that realization of forecasted free cash flow or the realizability of the assets at the values considered in our analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to the future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences could be material. To the extent that our conclusions are based on the forecasts, we express no opinion on achievability of those forecasts. The fact that we have considered the projections in this valuation exercise should not be construed or taken as our being associated with or a party to such projections.

The valuation analysis and results thereof for recommendation under this Report are governed by concept of materiality.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the fair equity share exchange ratio for the Proposed Amalgamation and relevant filings with regulatory authorities in this regard, without our prior written consent.

In addition, this Report does not in any manner address the price at which equity share of PPL and MCFL shall trade following announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of either of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation. Our report and opinion / valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

We will owe the responsibility only to the Board of Directors of PPL and MCFL.

Recommendation of fair equity share exchange ratio for the proposed amalgamation of MCFL with PPL



**Disclosure of Registered Valuers' Interest or Conflict, if any and other affirmative statements**

We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation, as of the date of the engagement letter till the Report Date. We further state that we are not related to the Company or their promoters or their directors or their relatives. Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation.



## SHAREHOLDING PATTERNS

### PPL

As of December 31, 2023, the shareholding of PPL comprises 81,47,39,453 equity shares of face value INR 10 each.

Particulars	No. of shares	% Shareholding
Promoter and Group	45,69,42,507	56.08%
Public	35,77,96,946	43.92%
<b>Total</b>	<b>81,47,39,453</b>	<b>100.00%</b>

Source: BSE Filings

### MCFL

As of December 31, 2023, the shareholding of MCFL comprises 11,85,15,150 equity shares of face value INR 10 each.

Particulars	No. of shares	% Shareholding
Promoter and Group	7,18,51,686	60.63%
Public	4,66,63,464	39.37%
<b>Total</b>	<b>11,85,15,150</b>	<b>100.00%</b>

Source: BSE Filings



### **APPROACH FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO:**

The Proposed Amalgamation contemplates the amalgamation of MCFL with PPL. Arriving at the fair equity share exchange ratio for the Proposed Amalgamation would require determining the relative value of equity shares of Transacting Companies. These values are to be determined independently, but on a relative basis for the Valuation Subjects, without considering the effect of the Proposed Amalgamation.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for Proposed Amalgamation and our reasonable judgment, in an independent and bona fide manner.

The Valuation Approach adopted by SSPA and PSP is given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).

### **BASIS FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO**

#### **Recommendation of equity share exchange ratio for the proposed amalgamation of MCFL with PPL**

The basis of the amalgamation of MCFL with PPL would have to be determined after taking into consideration all the factors and methods mentioned hereinafter. Though different values have been arrived at under each of the approaches / methods as mentioned in the Annexures, for the purpose of recommending the fair equity share exchange ratio of equity shares it is necessary to arrive at a final value for each Valuation Subject. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Valuation Subjects, but at their relative values to facilitate the determination of the fair equity share exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The fair equity share exchange ratio has been arrived at on the basis of a relative equity valuation of Valuation Subjects based on the various approaches / methods explained in the Annexures and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Valuation Subjects, having regard to information base, key underlying assumptions and limitations.

While we have provided our recommendation of the fair equity share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the fair equity share exchange ratio. The final responsibility for the determination of the exchange ratio at which the amalgamation of MCFL with PPL shall take place will be with the Board of Directors of the respective Companies who should consider other factors such as their own assessment of the amalgamation of MCFL with PPL and input of other advisors.

We have independently applied approaches / methods discussed in the Annexures, as considered appropriate, and arrived at the relative value per share of the Companies. To arrive at the consensus on the fair equity share exchange ratio for the Proposed Amalgamation of MCFL with PPL, suitable minor adjustments / rounding off have been done.

It should be noted that we have not examined any other matter including economic rationale for the Proposed Amalgamation of MCFL with PPL per se or accounting, legal or tax matters involved in the Proposed Amalgamation.



In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, limitations and assumptions describe in this report and the engagement letter, we recommend the fair equity share exchange ratio as follows:

**To the equity shareholders of MCFL**

**"187 (One Hundred and Eighty Seven) equity shares of PPL having a face value of INR 10 each fully paid-up shall be issued for every 100 (One Hundred) equity shares held in MCFL having face value of INR 10 each fully paid-up".**

<p>Respectfully submitted, <b>For SSPA &amp; Co.,</b> <b>Chartered Accountants</b> ICAI Firm Registration No: 128851W IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126</p> <p><i>Parag S. Ved</i></p>  <p><b>Parag Ved, Partner</b> ICAI Membership No. 102432 Registered Valuer No.: IBBI/RV/06/2018/10092 UDIN: 24102432BKCIWV3178 Place: Bengaluru Date: February 07, 2024</p>	<p>Respectfully submitted,</p> <p><i>Pawan Poddar</i></p>  <p><b>Pawan Shivkumar Poddar</b> ICAI Membership No. 113280 Registration Number: IBBI/RV/06/2019/12475 UDIN: 24113280BKFEVW4461 Place: Bengaluru Date: February 07, 2024</p>
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**Annexure IA - Valuation Workings SSPA:**

**VALUATION APPROACHES**

**Bases and Premise of Valuation**

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI VS, considering 'relative value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Companies.

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Cost Approach – Net Asset Value method
2. Market Approach:
  - a) Market Price method
  - b) Comparable Companies Multiple method
3. Income Approach – Discounted Cash Flow method

Each of the aforesaid approaches proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance, to a given situation. Thus, the approach to be adopted for a particular valuation exercise must be judiciously chosen.

For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of equity shares of the Transacting Companies for the purpose of recommending fair equity share exchange ratio to the extent relevant and applicable:

**1. Cost Approach - Net Asset Value Method ('NAV')**

The Cost Approach reflects the amount that would be required currently to replace the service capacity of an asset; often referred to as current replacement cost.

**PPL and MCFL**

*In the present case, the business of PPL and of MCFL is intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Cost Approach is not adopted for the present valuation exercise.*

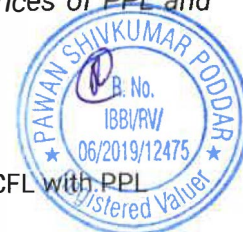
**2. Market Approach**

**a) Market Price Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

**PPL and MCFL**

*In the present case, the equity shares of PPL and MCFL are listed on NSE and BSE. The value of equity shares of PPL and MCFL under this method is determined considering the share prices of PPL and MCFL on NSE over an appropriate period.*





**b) Comparable Companies' Multiple (CCM) / Comparable Transactions Multiples (CTM) Method**

Under CCM method, the value of equity shares of companies is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully.

**PPL and MCFL**

*In the present case, PPL and MCFL have been valued based on EV/EBITDA multiple of comparable listed companies to arrive at the fair value per share of PPL and MCFL under the Market Approach.*

Under CTM, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

**PPL and MCFL**

*Based on our analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating / financial metrics as that of PPL and MCFL, we have therefore not used CTM method to value the equity shares of these Companies.*

**3. Income Approach - Discounted Cash Flows Method ('DCF')**

Under the Income Approach, equity shares of PPL and MCFL are valued using DCF Method.

Under DCF method, the projected free cash flows from business operations, after considering fund requirements for projected capital expenditure and incremental working capital, are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to earnings before interest and tax (i) depreciation and amortizations (non-cash charge), and (ii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.

WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of cost of equity and cost of debt of the respective Companies.

To the value so arrived, appropriate adjustments have been made for loan funds, contingent liabilities, cash and cash equivalents, value of investments and other assets / liabilities, to arrive at the equity value.





**Fair equity share exchange ratio:**

(INR)

Method of Valuation	PPL		MCFL	
	Value per Share	Weights	Value per Share	Weights
Asset Approach*	NA	NA	NA	NA
Income Approach - DCF Method	78.07	50%	146.24	50%
Market Approach - MP Method	78.58	25%	138.72	25%
- CCM Method	73.42	25%	144.80	25%
<b>Relative value per share</b>	<b>77.04</b>		<b>144.00</b>	
<b>Fair Equity Share Exchange</b>	<b>187 : 100</b>			

NA = Not Applied / Not Applicable

\*Since, the business of PPL and MCFL are both intended to be continued on a 'going concern basis' and there is no intention to dispose off the assets, therefore the Asset (Cost) Approach is not adopted for the present valuation exercise.



**Annexure IB - Valuation Workings PSP:**

**VALUATION APPROACHES**

**Bases and Premise of Valuation**

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI VS, considering 'relative value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Companies.

**Premise of Value**

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Companies is carried out on a Going Concern Value premise which is defined under ICAI VS as under:

"Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc."

It should be understood that the valuation of any business / company / shares or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to market, industry performance, general business and economic conditions, many of which are beyond the control of the company.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Asset Approach – Net Asset Value method
2. Market Approach:
  - a) Market Price method
  - b) Comparable Companies Market Multiple method
3. Income Approach – Discounted Cash Flow method



For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of equity shares of the Transacting Companies for the purpose of recommending fair equity share exchange ratio to the extent relevant and applicable:

### **1. Asset Approach - Net Asset Value Method ('NAV')**

The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This methodology is likely to be appropriate for business which derives value mainly from the underlying value of its assets rather than its earnings. This value analysis approach may also be used in case where the firm is to be liquidated or in case where the assets base dominates earning capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

#### **PPL and MCFL**

*In the present case both PPL and MCFL operate as going concern and there is no intention to dispose of the assets. In such a going concern scenario the relative earning power, as reflected under the income and market approaches is of greater importance for arriving at the value as compared to the value arrived on the Net Asset Value basis considering the realisable value of the assets recorded in the books. Further PPL and MCFL have self-generated intangibles in the form of proprietary processes and products which are not currently recorded in the financial statements of both companies, hence the value arrived under the Net Asset Value Method will not represent the intrinsic value of the business. Accordingly, we have not adopted Net Asset Value method for valuing equity share of PPL and MCFL respectively.*

### **2. Market Approach**

#### **a) Market Price Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

#### **PPL and MCFL**

*In the present case, equity shares of PPL and MCFL are listed on NSE and BSE, they are widely held, regularly and frequently traded with reasonable volumes on both the exchanges. We have therefore used the market price method to value the equity shares of PPL and MCFL.*

#### **b) Comparable Companies' Multiple (CCM) / Comparable Transactions Multiples (CTM) Method**

Under CCM, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.



**PPL and MCFL**

*Based on our analysis and discussion with the Management, we understand that there are comparable listed companies which operate in a similar line of business having similar financial/ operating metrics as that of PPL and MCFL, we have therefore used CCM Method based on EV/EBITDA multiple of comparable listed companies to arrive at the fair value per share of PPL and MCFL under the Market Approach.*

Under CTM, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

**PPL and MCFL**

*Based on our analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating / financial metrics as that of PPL and MCFL, we have therefore not used CTM method to value the equity shares of these Companies.*

**3. Income Approach - Discounted Cash Flows Method ('DCF')**

DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. Free cash flows are the cash flows expected to be generated by the company that are available for distribution to both the owners of and lenders to the business. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

The projected free cash flows are discounted by the Weighted Cost of Capital (WACC) to arrive at the enterprise value. The WACC represents the returns required by the investors of both debt and equity weighed to their relative funding in the entity. Appropriate adjustments are made for loan funds, contingent liabilities, cash and cash equivalents, value of investments and other assets / liabilities, to determine the equity value of the Companies.

*PPL and MCFL are profit making companies and generate surplus cash which is expected to continue going forward, we have therefore used DCF Method to arrive at the equity value of PPL and MCFL.*

**Fair equity share exchange ratio:**



(INR)

Method of Valuation	PPL		MCFL	
	Value per Share	Weights	Value per Share	Weights
Asset Approach*	NA	NA	NA	NA
Income Approach				
- DCF Method	78.10	50%	146.36	50%
Market Approach				
- MP Method	76.51	25%	132.87	25%
- CCM Method	73.61	25%	148.36	25%
<b>Relative value per share</b>	<b>76.58</b>		<b>143.49</b>	
<b>Fair Equity Share Exchange</b>	<b>187 : 100</b>			

NA = Not Applied / Not Applicable

*\*In the present case both PPL and MCFL operate as going concern and there is no intention to dispose of the assets. In such a going concern scenario the relative earning power, as reflected under the income and market approaches is of greater importance for arriving at the value as compared to the value arrived on the Net Asset Value basis considering the realisable value of the assets recorded in the books. Accordingly, we have not adopted Net Asset Value method for valuing equity share of PPL and MCFL respectively.*





Mangalore Chemicals  
& Fertilizers Limited

**Annexure 3A**

**National Stock Exchange of  
India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
MUMBAI - 400 051

**BSE Limited**  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Confirmations to be filed with the Indian stock exchanges in respect of the composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited, Paradeep Phosphates Limited and their respective shareholders and creditors ("Scheme").**


This is to certify that:

1. No material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with the Indian stock exchanges and the period under consideration for the valuation; and
2. There are no listed debt obligations of the entities forming part of the Scheme.

Thanking you,

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

  
Vighneshwar G Bhat  
Company Secretary  
ACS:16651  
Place: Bangalore  
Date: February 24, 2024







Mangalore Chemicals  
& Fertilizers Limited

**REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

The following members of the Audit Committee (“**Committee**”) of Mangalore Chemicals & Fertilizers Limited (the “**Company**”) were present at the meeting of the Committee:

1. Mr. Marco Wadia - Independent Director and Chairman of the Audit Committee
2. Mr. D A Prasanna - Independent Director and Member of the Audit Committee
3. Mrs. Kiran Dhingra - Independent Director and Member of the Audit Committee

**1. Background**

- 1.1 A meeting of the Committee was held on February 7, 2024, to consider and recommend the proposed scheme of arrangement which *inter alia* provides for the amalgamation of the Company with and into Paradeep Phosphates Limited (“**Transferee Company**”) pursuant to a composite scheme of arrangement amongst the Company, the Transferee Company and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Companies Act**”).
- 1.2 The Company is a listed public limited company, whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the “**Stock Exchanges**”).
- 1.3 The Transferee Company is a listed public limited company, whose equity shares are listed on the Stock Exchanges.
- 1.4 In terms of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India (“**SEBI**”) on June 20, 2023 (as amended from time to time) (“**SEBI Scheme Circular**”), the Committee is required to provide a report recommending the draft Scheme taking into consideration, *inter alia*, the valuation report. This Report of the Committee is also required to, in terms of the SEBI Scheme Circular, comment on the: (a) need for the merger/amalgamation/arrangement; (b) rationale of the Scheme; (c) synergies of business of the entities involved in the Scheme; (d) impact of the Scheme on the shareholders; and (e) cost benefit analysis of the Scheme.
- 1.5 The Scheme shall be filed with the relevant jurisdictional National Company Law Tribunals as per Sections 230 to 232 of the Companies Act and has been drawn in compliance with Section 2(1B) and other applicable provisions of the Income Tax Act, 1961 and other applicable laws, including the SEBI Scheme Circular.
- 1.6 This Report is made in compliance with the SEBI Scheme Circular.

*M. Prasanna*





Mangalore Chemicals  
& Fertilizers Limited

## 2. Documents perused by the Committee

While deliberating on the Scheme, the Committee, *inter alia*, considered and took on record the following documents:

- (a) the Scheme;
- (b) the valuation report dated February 7, 2024 jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Committee (collectively the "**Valuation Report**");
- (c) the fairness opinion dated February 7, 2024 issued by Fedex Securities Private Limited, the SEBI registered merchant banker with registration number INM 000010163 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**"); and
- (d) the certificate dated February 7, 2024 issued by M/s. PKF Sridhar & Santhanam LLP, the statutory auditors, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles.

## 3. Salient features of the Scheme

3.1 The Scheme, amongst others, contemplates the following:

- (a) the amalgamation by way of merger of the Company with and into the Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;
- (b) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);
- (c) issuance and allotment of equity shares of the Transferee Company (*as defined in the Scheme*) by the Transferee Company (*as defined in the Scheme*) to the equity shareholders of the Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Report;
- (d) transfer of the authorized share capital of the Company to the Transferee Company and the consequential increase in the authorized share capital of the Transferee Company as provided in the Scheme; and
- (e) dissolution without winding up of the Company.

*M. A. A. A.*

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Mangalore Chemicals  
& Fertilizers Limited

3.2 The effectiveness of the Scheme is conditional upon fulfilment of certain conditions precedent as provided in Clause 45 of the Scheme.

**4. Need for the Scheme; Rationale of the Scheme; and Synergies of business of the entities involved in the Scheme**

4.1 The proposed amalgamation will enable the Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India.

4.2 The Company and the Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth.

4.3 The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company.

4.4 The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Company and the Transferee Company.

**5. Impact of the Scheme on the shareholders**

5.1 The Audit Committee reviewed the Valuation Report and noted the valuation and the share exchange ratio for the proposed amalgamation as recommended by the valuers. No special valuation difficulties were reported by the valuers in their respective Valuation Report.

5.2 As per the Scheme, the Transferee Company is required to issue and allot fully paid equity shares of the Transferee Company to the shareholders of the Company, in consideration for the proposed amalgamation, in the following ratio:

*For every 100 fully paid up equity shares of face value of INR 10 each held in the Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Company shall be issued 187 equity shares of face value of INR 10 each credited as fully paid up in the Transferee Company.*

5.3 The equity shares of the Transferee Company to be issued and allotted to the shareholders of the Company as per the aforementioned share exchange ratio (which is in terms of the Valuation Report) are to rank *pari passu* in all respects with the existing equity shares of the Transferee Company.

*Mr. A. A. A.*



Mangalore Chemicals  
& Fertilizers Limited


**6. Cost benefit analysis of the Scheme**

The Committee noted that the Scheme will provide an opportunity to improve the economic value for the shareholders of the Company and the Transferee Company. This is reflected by the proposed improved synergies that will arise pursuant to the Scheme. Although the Scheme involves certain costs such as transaction cost, implementation cost, regulatory fees, stamp duties, etc., however, the benefits of the proposed amalgamation as specified in paragraph 4 above over a long period would far outweigh such costs.

**7. Recommendations of the Committee and Conclusion**

Having considered the Scheme and its rationale and benefits, the Valuation Report, the Fairness Opinion, impact of the Scheme on its shareholders, cost benefit analysis of the Scheme, synergies of business and other documents as placed before the Committee, the Committee unanimously recommends the Scheme for approval.

For and on behalf of the **Audit Committee of  
Mangalore Chemicals & Fertilizers Limited**

x 

Marco Wadia  
Chairperson, Audit Committee

**DIN:** 00244357

**Date:** February 07, 2024

**Place:** Mumbai



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Dayaldas Road, Vile Parle (East),  
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E-mail: mb@fedsec.in • www.fedsec.in  
CIN : U67120MH1996PTC102140

SEBI REGN. NO. INM 000010163

**Strictly Private & Confidential**

Dated: February 7, 2024

**The Board of Directors**

**Mangalore Chemicals & Fertilizers Limited**

Level 11, UB Tower,  
UB City 24, Vittal Mallya Road,  
Bengaluru - 560 001, Karnataka

**Dear Members of the Board:**

**Sub: Fairness opinion towards the proposed amalgamation of Mangalore Chemicals & Fertilizers Limited (“MCFL” or “Transferor Company” or “Company”) with Paradeep Phosphates Limited (“PPL” or “Transferee Company”) under Sections 230 to 232 and other applicable provisions and rules framed thereunder (“Scheme”)**

We refer to our letter of engagement (“LoE”) whereby Fedex Securities Private Limited (“Fedex”) is *inter alia* engaged to provide a fairness opinion (*as defined*) on the Equity Share Exchange Ratio (*as defined herein*) recommended by the Registered Valuer (*as defined herein*) for the proposed amalgamation of Mangalore Chemicals & Fertilizers Limited (“MCFL” or “Transferor Company” or “Company”) with Paradeep Phosphates Limited (“PPL” or “Transferee Company”) (“Proposed Amalgamation”) under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (“Proposed Scheme”). We understand that the Proposed Scheme will be considered by the Board of Directors.

**Brief Background and Purpose**

**Paradeep Phosphates Limited (‘PPL’ or ‘Transferee Company’)**

PPL is primarily engaged in the business of manufacturing Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District: Jagatsinghpur, Odisha and at Zuari Nagar, Goa. PPL is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. PPL caters to the demands of farmers all over the country through its “Navratna” brand of fertilizers. The standalone revenue from operations of the Transferee Company for nine months period ended December 31, 2023 is INR 9,332.38 crores. The equity shares of PPL are listed on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

**Mangalore Chemicals & Fertilizers Limited (‘MCFL’ or ‘Transferor Company’)**

MCFL is primarily engaged in the business of manufacturing, purchase and sale of fertilisers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka. MCFL mainly sells in the states of Karnataka, Kerala and in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra. MCFL is a subsidiary of Zuari Agro Chemicals Limited (‘ZACL’), an Adventz Group company. The revenue from operations of the Transferor Company for nine months period ended December 31, 2023 is INR 3,009.05 crores. The equity shares of MCFL are listed on both NSE and BSE.

PPL and MCFL are hereinafter together referred to as the “**Transacting Companies**” or “**the Companies**” and individually referred to as “**Company**”, as the context may require.

For the purpose of the Proposed Amalgamation, the Companies have appointed Pawan Shivkumar Poddar, Registered Valuer for asset class – ‘Securities or Financial Assets’ with Registration No. IBB/RV-E/06/2020/126 as Registered Valuers and SSPA & Co., Chartered Accountants (“**SSPA**”) as a Registered Valuer for asset class – ‘Securities or Financial Assets’ with Registration No. IBB/RV-E/06/2020/126 to determine the Equity Share Exchange Ratio (*as defined below*) and has in terms of the LoE the Board of Directors of the Transferee Company has requested Fedex Securities Private Limited to examine the Valuation Report issued by the Registered Valuers and other related information provided by the Company and issue our independent opinion as to the fairness of the Equity Share Exchange Ratio (“**Fairness Opinion**”) as per the requirements of the relevant SEBI circulars (“**SEBI Circulars**”). This Fairness Opinion is being provided solely to the Board of Directors of the Transferee Company and strictly within this context and is not intended to represent the valuation at which such transaction is carried out, and does not address the Transferee Company or Transferor Company (or any other party’s) underlying business decision to proceed with or effect any commercial decisions relating to the Proposed Scheme.

This fairness opinion is intended only for the sole use and information of the Board of Directors of the Transferor Company and only in connection with the Proposed Amalgamation. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Proposed Amalgamation or their subsidiaries / joint ventures / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Proposed Amalgamation as aforesaid can be done only with our prior permission in writing.

**As per the Valuation Report dated February 7, 2024, the Registered Valuers have recommended the following equity share exchange ratio for equity shareholders of Mangalore Chemicals & Fertilizers Limited with Paradeep Phosphates Limited (“Equity Share Exchange Ratio”) as under:**

***“187 equity shares of PPL having a face value of INR 10 each fully paid-up shall be issued for every 100 equity shares held in MCFL having face value of INR 10 each fully paid-up”***

The Proposed Scheme provides, *inter alia*, for:

- a) the amalgamation of the Transferor Company with and into the Transferee Company as a going concern, the issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Proposed Scheme and in compliance with the Act, the SEBI Scheme Circular, SEBI LODR Regulations and Section 2 (1B) and other relevant provisions of the Income Tax Act;
- b) the transfer of the Identified Shares from the Transferor Shareholder to the Transferee Shareholder; and
- c) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of the Transferee Company.

All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Proposed Scheme.

For avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in the Transferor Company and/or the Transferee Company to any person.

#### **Source of Information**

For the said examination and for arriving at the opinion set forth below, we have received:

1. Equity shares exchange ratio report dated February 7, 2024 issued by the Registered Valuers (“**Valuation Report**”);
2. Draft of the Proposed Scheme;
3. Historical financial information for the year ended March 31, 2023 of the Transferor Company and the Transferee Company;
4. Limited reviewed financial statements of the Transferor Company and the Transferee Company for the nine months period ended December 31, 2023 (“**9ME Dec23**”)
5. Financial Projections of the Transferor Company and the Transferee Company which represents the Management’s best estimate of the future financial performance of the Transacting Companies (“**Management Projections**”);
6. Details of Employee Stock Ownership Plan of the Transferee Company as at the Valuation Date;
7. Management Representation Letter;
8. Necessary clarifications, explanations and information (including oral) from the Registered Valuers;
9. Necessary explanations and information from the representatives of the Transferor Company and the Transferee Company; and
10. Other information as available in public domain.

### **Limitation of Scope and Review**

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including their respective working results or businesses referred. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this fairness opinion. Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion as described hereinabove. It may not be valid for any other purpose or if provided on behalf of any other entity. Our fairness opinion is addressed to and is solely for the benefit of the Board of Directors of the Transferor Company and should not be publicly or otherwise circulated, provided or disclosed to any person, authority (including regulatory authority), entity or any public or private platform without our prior written consent. No other person, entity or regulatory authority shall, save with our written consent, rely on this opinion or any part thereof.

We have considered financial information in our analysis and have made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that each of the Companies have drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses up to the date of approval of the Proposed Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we assume that the management of each of the Companies, has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of each of the Companies, as to how they should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Scheme. We also express no opinion and accordingly accept no responsibility with respect to the financial performance of the Companies following the consummation of the Scheme. We also express no opinion on the likely market price of the Companies post the consummation of the Scheme.



No investigation with respect to the claim to title of assets of each of the Companies has been made for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of each of the Companies and have also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Also, we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Proposed Scheme with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Proposed Scheme.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, corporate advisory and other financial services to the Transferor Company and its subsidiaries, joint ventures, associates and/or affiliates, as the case may be and have received or in the future may receive compensation for the rendering of these services.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of Companies that may be the subject matter of this Proposed Scheme for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities and may vote at any general meeting as they deem fit. In addition, we and our affiliates maintain relationships with the Transferor Company, the Transferor Company and their respective affiliates.

In arriving at our opinion, we have assumed and relied upon, without any independent verification or validation, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the management of the Transferor Company that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the financials and forecasts, we have been advised by the Transferor Company, and have assumed, that: (i) they have been reasonably prepared and/or confirmed on bases reflecting the best currently available estimates and good faith judgements of the management of the Transferor Company as to the future financial performance of the Companies or their respective subsidiaries and/or associates, as the case may be and (ii) they are based on the understanding of the management of the Transferor Company of the current business strategy, operations, competition and macro-economic indicators and involves known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by the financials and forecast of the Companies or their respective subsidiaries and/or associates.

Without limiting the generality of the foregoing, we have also assumed, at the direction of the Transferor Company, their associates, as applicable, will receive all statutory clearances with respect to their respective operations in accordance with the assumptions regarding such clearances in their financials and forecasts.

We have been informed by the management of the Transferor Company that the financials and forecasts provided to us have been prepared in accordance with Indian Accounting Standards (Ind-AS). We have not made or been provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Companies or their associates, as applicable, and/or any other entity (other than the Valuation Report, which we have reviewed and relied upon without independent verification for purposes of this opinion), nor have we made any physical inspection or title verification of the properties or assets of the Companies, their associates, as applicable, and/or any other entity, and we do not express any opinion as to the value of any asset of the Companies, their respective subsidiaries and/or associates, as applicable, and/or any other entity, whether at current prices or in the future. We have not evaluated the solvency or fair value of the Companies, their respective subsidiaries and/or associates, as applicable, and/or any other entity under the laws of India or any other laws relating to bankruptcy, insolvency or similar matters.

We have assumed, at the direction of the Transferor Company, that Proposed Amalgamation will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, judicial, regulatory and other approvals, consents, releases and waivers for Proposed Amalgamation, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on the Transferor Company, their associates, as applicable, and/or any other entity or the contemplated benefits of Proposed Amalgamation. We also have assumed, at the direction of the Transferor Company, that the final executed Proposed Scheme will not differ in any material respect from the Draft Scheme reviewed by us.

We have not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities, or any settlements thereof, to which the Transferor Company, their associates, as applicable, and/or any other entity, are or may be a party or are or may be subject, and this opinion does not consider the potential effects of any such litigation, actions, claims, other contingent liabilities or settlements.

We express no view or opinion as to any terms or other aspects or implications of the Proposed Amalgamation (other than the Equity Share Exchange Ratio to the extent expressly specified herein), including, without limitation, the form or structure of the Proposed Amalgamation, the taxation impact of the Proposed Amalgamation or the Equity Shares issued and allotted under the Proposed Amalgamation or any terms or other aspects or implications of any other agreement, arrangement or understanding entered into in connection with or related to the Proposed Amalgamation or otherwise. We were not requested to, and we did not, participate in the negotiation of the terms of the Proposed Amalgamation. Our opinion does not address any matters otherwise than as expressly stated herein, including but not limited solely to matters such as corporate governance, shareholder rights or any other equitable consideration, and is limited to the fairness, from a financial point of view, to the Public Shareholders of the Transferor Company of the Equity Share Exchange Ratio provided for in the Proposed Scheme and no opinion or view is expressed with respect to any consideration received in connection with the Proposed Amalgamation by the holders of any other class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Proposed Amalgamation, or class of such persons, relative to the Equity Share Exchange Ratio. Furthermore, no opinion or view is expressed as to the relative merits of the Proposed Amalgamation in comparison to other strategies or transactions that might be available to the Transferor Company or in which the Transferor Company might engage or as to the underlying business decision of the Transferor Company to proceed with or effect the Proposed Amalgamation. Further, the Transferor Company will remain solely responsible for the commercial assumption on which this opinion is based and for its decision to proceed with the Proposed Amalgamation.

Further, our opinion does not take into account any corporate actions of the Transferor Company after the date hereof, including payment of dividends. We are not expressing any opinion as to what the value of the Equity Shares actually will be when issued or the prices at which the Equity Shares will trade at any time, including following announcement or consummation of the Proposed Amalgamation. In addition, we express no opinion or recommendation as to how any shareholder, creditor or other person should vote or act in connection with the Proposed Amalgamation or any related matter. In addition, we are not expressing any view or opinion with respect to, and have relied, with the consent of the Transferor Company, upon the assessments of representatives of the Transferor Company regarding, legal, regulatory, accounting, tax and other matters relating to the Companies, any of their respective subsidiaries and/or associates, as applicable, or any other entity and the Proposed Amalgamation (including the contemplated benefits of the Proposed Amalgamation) as to which we understand that the Transferor Company obtained such advice as it deemed necessary from qualified professionals.

We have also assumed that all aspects of the Proposed Amalgamation and any other transaction contemplated in the Scheme would be in compliance with applicable laws and regulations, and we have issued this opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance, including without limitation, compliance with the provisions of SEBI Regulations. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Proposed Amalgamation will not trigger obligation to make open offers under the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and accordingly, we have not considered the consequences or impact on us, if any such offers are mandated, and we have also assumed that the Proposed Amalgamation will not result in any adverse effect on us or our business, whether under tax or other laws or under the terms of any license or approval.

We have acted as financial advisor to the Board of Directors of the Transferor Company to render this opinion and will receive a fee for our services, which will be paid upon the rendering of this opinion. In addition, the Transferor Company has agreed to reimburse our expenses (subject to certain restrictions) and indemnify us against certain liabilities arising out of our engagement. For avoidance of any doubts, it is clarified that fees payable to Fedex Securities Private Limited by the Transferor Company and are not in any way contingent upon nature of opinion provided to the Transferor Company.

It is understood that this letter is for the benefit and use of the Board of Directors of the Transferor Company (in its capacity as such) in connection with and for purposes of its evaluation of the Proposed Amalgamation and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors of the Transferor Company. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall



any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; (ii) as required to be disclosed by the Transferor Company to the Stock Exchanges pursuant to applicable laws and may be disclosed on the website of the Transferor Company and the Stock Exchanges to the extent required under applicable laws and further may also be made a part of the explanatory statement to be circulated to the shareholders and/or creditors of the Transferor Company; and (ijj) as required to be disclosed to relevant judicial, regulatory or government authorities, in each case only as may be mandatorily required by applicable laws. Our opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion, and we do not have any obligation to update, revise, or reaffirm this opinion.

The laws of India govern all matters arising out of or relating to this Fairness Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Fairness Opinion the courts of competent jurisdiction in Mumbai, India shall have exclusive jurisdiction.

#### **Distribution of this Fairness Opinion**

The Fairness Opinion is addressed to the Board of Directors of the Transferor Company (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Registered Valuers and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the application/petition for the Proposed Scheme and such other regulatory authorities under SEBI Circular and /or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

#### **Conclusion**

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Equity Share Exchange Ratio as recommended by the Valuer, is Fair from a financial point of view to the shareholders of the Transferor Company.

Yours truly,

For, **Fedex Securities Private Limited**



Uday Nair  
Director  
DIN: 03431884

<b>MANGALORE CHEMICALS &amp; FERTILIZERS LIMITED ("MCFL" or "Transferor Company")</b>			
<b>Pre Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Mangalore Chemicals & Fertilizers Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 530011 / NSE - MANGCHEFER		
3	Shareholding Pattern Filed under: Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?		No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	Yes	
6	Whether Company has equity shares with differential voting rights?		No
7	Whether the Listed Entity has any significant beneficial owner?		No
* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			
5	The tabular format for disclosure of holding of specified securities is as follows:-		



MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCFCL") ("Transferor Company")																					
For Amalgamation summary statement holding of issue of shares																					
Category of shareholders	No. of shares held	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 2017	Number of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (as a percentage of diluted share capital)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares					
							No. of voting rights					Total as a % of Total voting rights	No.			As a % of total shares held	No.	As a % of total shares held	Shareholding (No. of shares) under		
							Class Equity shares	Class shares PA	Total										Sub-Category -I	Sub-Category -II	Sub-Category -III
(A) Promoter & Promoter Group	8	7,18,11,885			7,18,11,885	80.83	7,18,11,885		7,18,11,885	80.83			7,18,11,885	71.26	7,18,11,885						
(B) Public	92,246	6,86,61,868			6,86,61,868	19.17	6,86,61,868		6,86,61,868	19.17					6,86,61,868						
(C1) Promoter-Non Public																					
(C2) Shares underlying DRs																					
(C3) Shares held by Employee Trust																					
Total	93,154	11,46,13,130			11,46,13,130	100.00	11,46,13,130		11,46,13,130	100.00			6,45,50,078.08	84.08	11,46,13,130						



MANGALORE CHEMICALS & FERTILISERS LIMITED ("MFL" - "Transferor Company")																						
Category and name of the shareholders	Folio type i.e. promoter OR promoter (Post entry (except promoter))	RIN	No. of shareholders	No. of fully paid up equity shares held	Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding %* calculated as per SCSS, 1957	Number of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (as a percentage of diluted share capital)	No. of shares of the same class of diluted share capital	No. of shares of the same class of diluted share capital	No. of shares of the same class of diluted share capital	Sub-registration of shares						
									No. of voting rights								No.	As a % of total shares held	No.	As a % of total shares held	No.	As a % of total shares held
									Class (Share)	Class (Others)	Total											
<b>Indian</b>																						
14	Individual/Trusts/Undeclared entity		3	5,97,152			5,97,152	3.93	5,97,152							5,97,152						
	Srinidha Agrivastu	Promoter (Group)	1	2,70,000			2,70,000	1.77	2,70,000							2,70,000						
	Indira Indira	Promoter (Group)	1	1,97,152			1,97,152	1.31	1,97,152							1,97,152						
	Sanjay Agrivastu Centre	Promoter (Group)	1	1,29,999			1,29,999	0.85	1,29,999							1,29,999						
<b>Government of India</b>																						
<b>Foreign</b>																						
<b>Government of State</b>																						
<b>Individuals (Non Resident)</b>																						
15	Foreign Investor	Promoter	1	14,02,431			14,02,431	9.18	14,02,431							14,02,431						
16	Foreign Investor	Promoter	1	14,02,431			14,02,431	9.18	14,02,431							14,02,431						
<b>Sub-Total (A+B)</b>																						
<b>Total</b>																						
<b>Sub-Total (A+B)</b>																						
<b>Total Shareholding of Promoter and Promoter Group</b>																						
<b>Total Shareholding of Promoter and Promoter Group (A+B+C)</b>																						

\*Details of Shares which remain unencashed have been given along with details such as number of shareholders, outstanding shares held in demat/pledged/encashed account, voting rights, which are those etc. 0.00

- Notes:  
 (1) PAN would not be displayed on website of Stock Exchanges.  
 (2) The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.  
 (3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.



Statement showing the Shareholding Pattern of Public Shareholder																			
Category and name of the shareholders	PAN	No. of shares held	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	Nil. of shares pledged or otherwise encumbered	No. of equity shares held in demerit form	Shareholding (No. of shares) under			
								No. of voting rights								Total as a % of Total voting rights	Sub-Category I	Sub-Category II	Sub-Category III
								Class Equity shares	Class Other	Total									
1) Institutions (Domestic)																			
(a) Mutual Funds			10,000			10,000	0.01	10,000		10,000	0.01							10,000	
(b) Venture Capital Funds																			
(c) Alternative Investment Funds																			
(d) Banks		310	2,13,283			2,13,283	0.18	2,13,283		2,13,283	0.18							930	
(e) Insurance Companies		1	600			600	0.00	600		600	0.00								
(f) Provident / Pension Funds																			
(g) Asset Reconstruction Companies																			
(h) Sovereign Wealth Funds																			
(i) Banks registered with RBI																			
(j) Other Financial Institutions		5	22,88,413			22,88,413	1.89	22,88,413		22,88,413	1.89							22,86,797	
(k) Depository Participants																			
(l) Any Other (Specify)																			
(m) Sub-Total (B)(1)		220	23,12,098			23,12,098	1.92	23,12,098		23,12,098	1.92							22,97,537	
2) Institutions (Foreign)																			
(a) Foreign Direct Investment																			
(b) Foreign Venture Capital Investors																			
(c) Sovereign Wealth Funds																			
(d) Foreign Portfolio Investors Category I		13	18,02,354			18,02,354	1.48	18,02,354		18,02,354	1.48							18,02,354	
(e) Foreign Portfolio Investors Category II																			
(f) Overseas Depositories (holding OFD (banking figure))																			
(g) Any Other (Specify)																			
(h) Sub-Total (B)(2)		13	18,02,354			18,02,354	1.48	18,02,354		18,02,354	1.48							18,02,354	
3) Central Government / State Government(s) / President of India																			
(a) Central Government / State Government(s) / President of India																			
(b) State Government / Government of India		5	10,51,400			10,51,400	0.89	10,51,400		10,51,400	0.89							10,50,000	
(c) Shareholding by Companies (includes Corporate share Central / State Government is a promoter)																			
(d) Sub-Total (B)(3)		5	10,51,400			10,51,400	0.89	10,51,400		10,51,400	0.89							10,50,000	
4) Associate companies / Subsidiaries																			
(a) Directors and their relatives (including independent directors and nominee directors)		2	1,300			1,300	0.00	1,300		1,300	0.00							1,300	
(b) Key Managerial Personnel		1	150			150	0.00	150		150	0.00							150	
(c) Relatives of promoters (other than immediate relatives) of promoters disclosed under Promoter and Promoter Group category)																			
(d) Trusts where any person belonging to Promoter and Promoter Group category is trustee, beneficiary, or is author of trust)																			
(e) Investor Education and Protection Fund (IEPF)		1	29,36,493			29,36,493	2.48	29,36,493		29,36,493	2.48							29,36,493	
(f) Investor Education and Protection Fund Authority (Ministry of Corporate Affairs)		1	29,36,493			29,36,493	2.48	29,36,493		29,36,493	2.48							29,36,493	
(g) Resident individuals holding nominal share (upto up to 2 lakhs)		11,187	1,72,86,477			1,72,86,477	14.57	1,72,86,477		1,72,86,477	14.57							1,54,08,357	
(h) Resident individuals holding nominal share (upto up to 2 lakhs)		127	1,04,11,400			1,04,11,400	8.78	1,04,11,400		1,04,11,400	8.78							1,03,37,988	
(i) Non-Resident Indians (NRIs)		1	15,40,990			15,40,990	1.29	15,40,990		15,40,990	1.29							15,40,990	
(j) Foreign Nationals		547	10,25,896			10,25,896	0.87	10,25,896		10,25,896	0.87							10,25,896	
(k) Bodies Corporate		150	81,86,880			81,86,880	6.91	81,86,880		81,86,880	6.91							81,56,990	
(l) Any Other (Specify)		783	13,68,718			13,68,718	1.15	13,68,718		13,68,718	1.15							13,68,666	
(m) Societies		1	50			50	0.00	50		50	0.00							50	
(n) Trusts		338	1,58,900			1,58,900	1.34	1,58,900		1,58,900	1.34							1,58,900	
(o) Director or Director's Relatives		1	11,133			11,133	0.09	11,133		11,133	0.09							11,133	
(p) Clearing Members		4	294,000			294,000	2.48	294,000		294,000	2.48							294,000	
(q) Sub-Total (B)(4)		33,008	4,11,97,612			4,11,97,612	34.76	4,11,97,612		4,11,97,612	34.76							3,90,90,960	
Total Shareholding of Public (B)																			
(B)(1)+(B)(2)+(B)(3)+(B)(4)		13,246	4,66,53,464			4,66,53,464	39.37	4,66,53,464		4,66,53,464	39.37							4,44,40,351	

(1) PAN of the shareholders is given as per Form I (except in case of their Shareholding less than 1%)  
 (2) Details of Shares which remain undiluted may be given here along with details such as number of shareholders, outstanding shares held in demat/uncleared suspense account, voting rights which are frozen etc.  
 (3) PAN would not be displayed on website of Stock Exchange.  
 (4) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.  
 (5) Where the information regarding Depository Receipts, the same may be disclosed in the extent of information available and the balance to be disclosed should be disclosed as held by custodian.  
 (6) Categorization of individual of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be disclosed in the category falling first in the order prescribed in the above format. Share holding underlying of the category should be in lakhs and not be displayed under multiple categories.  
 (7) Sub-categorization of shares will be based on shareholding (no. of shares) under the following sub-categories.  
 (8) Shareholders who are represented by a nominee Director on the board of the listed entity or have a right to nominate a representative (i.e. Director) on the board of the listed entity.  
 (9) Shareholders who have entered into share holder agreements with the listed entity.  
 (10) Shareholders acting as persons in concert with promoters.



MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCF" or "Company")																	
Statement showing Pre-Amalgamation shareholding pattern of Non-Promoter-Non-Public shareholder																	
Category and name of the shareholders	PAN	No. of shares held	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % (calculated as per SCRR, 1957)	Number of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	
								Class: Equity shares	Class: others NA	Total			Total as a % of Total voting rights	No.			As a % of total shares held
1) Custodian/DR holder																	
2) Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021																	
Total Non-Promoter Non Public Shareholding (CP/CRD/HC/CI)																	

Note:  
 (1) PAN would not be disclosed on website of Stock Exchange.  
 (2) The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers).  
 (3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.



<b>MANGALORE CHEMICALS &amp; FERTILIZERS LIMITED ("MCFL" or "Transferor Company")</b>		
<b>Statement showing foreign ownership limits</b>		
	<b>Board approved limits %</b>	<b>Limits utilized %</b>
As on shareholding date	100.00	2.21
As on the end of previous 1st quarter	100.00	1.57
As on the end of previous 2nd quarter	100.00	1.33
As on the end of previous 3rd quarter	100.00	1.36
As on the end of previous 4th quarter	100.00	0.62





<b>MANGALORE CHEMICALS &amp; FERTILIZERS LIMITED ("MCFL" or "Transferor Company")</b>			
<b>Post Amalgamation Shareholding Pattern</b>			
Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015			
1	Name of Listed Entity: Mangalore Chemicals & Fertilizers Limited		
2	Scrip Code/ Name of Scrip/ Class of Security: BSE - 530011 / NSE - MANGCHEFER		
3	Shareholding Pattern Filed under: Reg. 31(1)(c)		
4	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?		No
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
6	Whether Company has equity shares with differential voting rights?		No
7	Whether the Listed Entity has any significant beneficial owner?		No
* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			
5	The tabular format for disclosure of holding of specified securities is as follows:-		



MANGALORE CHEMICALS & FERTILIZERS LIMITED (NCLT - B - Transfer Company)																					
Bridging the information summary statement holding of specified securities																					
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total No. of shares held	Shareholding % % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities less securities held as diluted share capital	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares					
							No. of voting rights					Total as % of Total voting rights	No.			As a % of total shares held	No.	As a % of total shares held	Shareholding (No. of shares) under		
							Class: Equity shares	Class others	Total										Sub-Category -I	Sub-Category -II	Sub-Category -III
(A) Promoter & Promoter Group																					
(B) Public																					
(C) Non Promoter Non Public																					
(C1) Shares underlying DRs																					
(C2) Shares held by Employee Trust																					
Total																					

Note:



MANGALORE CHEMICALS & FERTILISERS LIMITED ("MFL" or "Shareholder Company")																					
Category and name of the shareholder	Entity type i.e. promoter (or investment group entity (as per securities law))	PAN	No. of shareholders	No. of fully paid-up equity shares held	Fully paid up equity shares held	No. of shares underlying Depository Receipts	Total No. of shares held	Shareholding % as calculated as per SCRA, 1957	Number of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (as a percentage of paid-up share capital)	Shareholding, if it is assumed full conversion of convertible securities (as a percentage of paid-up share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-category of shares			
									No. of voting rights					No.	As a % of total shares held			No.	As a % of total shares held	Shareholding (in shares)	
									Class Equity shares	Class preference	Total									Sub Category I	Sub Category II
1	Indian																				
1a	Individuals/Trusts/Charitable Entity																				
1b	Central Government/State Government(s)																				
1c	Financial Institutions/Banks																				
1d	Any Other (specify)																				
2	Non-Indian																				
2a	Foreign Individuals (Non-Resident Individual/Foreign Individual)																				
2b	Government Institutions Foreign Portfolio Investor																				
2c	Any Other (specify)																				
3	Sub total (A+B)																				
4	Total Shareholding of Promoter and Promoter Group (A+B+C+D+E)																				

Details of shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/possession suspense account, voting rights which are frozen etc. n/a

**Note:**

- (1) PAN would not be displayed on website of Stock Exchanges
- (2) The term "Investment" has the same meaning as assigned under Regulation 2(32) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.



MANGROVE CHEMICALS & FERTILIZERS LTD. (INCORPORATED IN INDIA)																			
Statement showing the Shareholding Pattern of Public Shareholder																			
Category and name of the shareholders	PAN	No. of shares	No of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per ICR (197)	Number of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (as a percentage of diluted share capital)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares			
								No. of voting rights								Total as a % of Total voting rights	Sub-Category	Sub-Category	Sub-Category
								Class Equity shares	Class Preference SH	Total									
1) Institutions (Domestic)																			
(a) Mutual Funds																			
(b) Venture Capital Funds																			
(c) Alternate Investment Funds																			
(d) Banks																			
(e) Insurance Companies																			
(f) Pension / Provident Funds																			
(g) Asset Reconstruction Companies																			
(h) Sovereign Wealth Funds																			
(i) NBFCs registered with RBI																			
(j) Other Financial Institutions																			
(k) Any Other (specify)																			
Sub-Total (B) (1)																			
2) Institutions (Foreign)																			
(a) Foreign Direct Investment																			
(b) Foreign Venture Capital Investors																			
(c) Sovereign Wealth Funds																			
(d) Foreign Portfolio Investors Category I																			
(e) Foreign Portfolio Investors Category II																			
(f) Overseas Depositories Holding DRs (balancing figure)																			
(g) Any Other (specify)																			
Sub-Total (B) (2)																			
3) Central Government / State Government / President of India																			
(a) Central Government / President of India																			
(b) State Government / Governor																			
(c) Shareholding by Companies, other than Corporate where Central / State Government is a promoter																			
Sub-Total (B) (3)																			
4) Non-Institutions																			
(a) Associate companies / Subsidiaries																			
(b) Directors and their relatives (excluding independent directors and nominee directors)																			
(c) Key Managerial Personnel																			
(d) Relatives of promoters (other than immediate relatives of promoters disclosed under 'Promoter and Promoter Group' category)																			
(e) Trusts where any beneficial interest belongs to 'Promoter and Promoter Group' category is trustee, beneficiary, or 'author of the trust'																			
(f) Investor Education and Protection Fund (IEPF)																			
(g) Resident individuals holding nominal share capital up to Rs. 2 lakhs																			
(h) Resident individuals holding nominal share capital in excess of Rs. 2 lakhs																			
(i) Non Resident Indians																			
(j) NRIs																			
(k) Foreign Nationals																			
(l) Foreign Companies																			
(m) Bodies Corporate																			
(n) Any Other (Specify)																			
Sub-Total (B) (4)																			
Total Shareholding of Public (B) = (B) (1) + (B) (2) + (B) (3) + (B) (4)																			

Details of the shareholder acting as persons in Concert including their Shareholding (No. and %)

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed/suspense account, voting rights which are frozen etc.

**Note:**

(1) PAN would not be displayed on website of Stock Exchanges

(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (IX) is not applicable in the above format.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

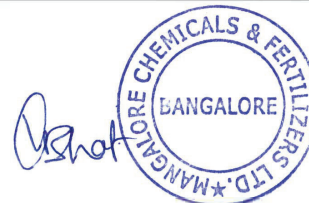
(4) Categorization and Sub-categorization of each shareholder category should be given in the order specified in the above format. If a shareholder is filing under more than one category, then the same shall be classified in the category filing first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.

(5) Sub-categorization of shares will be based on Shareholding (No. of shares) under the following two categories.

(6) Shareholders whose representative is an immediate Director or non-immediate Director of the listed entity or have the right to nominate a representative(s), a Director on the board of the listed entity.

(7) Shareholders who have entered into shareholder agreement with the listed entity.

(8) Shareholders acting as persons in concert with promoters.




MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCFCL" or "Transfer Company")																
Statement showing Post Amalgamation shareholding pattern of Non Promoter Non Public shareholder																
Category and name of the shareholders	PAN	No. of sharehold-ers	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Sharehold-er g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form
								No. of voting rights		Total as a % of total voting rights			No.	As a % of total shares held		
								Class: Equity shares	Class others: N/A							
1) Custodian/DR Holder																
Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021																
2) Total Non-Promoter Non Public Shareholding (CPCLD-ICF2)																

- Note:**
- (1) PAN would not be displayed on website of Stock Exchange
  - (2) The term 'encumbrance' has the same meaning as assigned under Regulation 28(2) of SEBI (Substantial Acquisition of Shares and Takeovers) R
  - (3) The above format needs to disclose name of all holders holding more than 1% of total number of shares



<b>MANGALORE CHEMICALS &amp; FERTILIZERS LIMITED ("MCFL" or "Transferor Company")</b>		
<b>Statement showing foreign ownership limits</b>		
	<b>Board approved limits %</b>	<b>Limits utilized %</b>
As on shareholding date		
As on the end of previous 1st quarter		
As on the end of previous 2nd quarter		
As on the end of previous 3rd quarter		
As on the end of previous 4th quarter		




<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>			
<b>Pre Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Paradeep Phosphates Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 543530 / NSE - PARADEEP		
3	<b>Shareholding Pattern Filed under:</b> Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?	Yes	
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
6	Whether Company has equity shares with differential voting rights?		No
7	Whether the Listed Entity has any significant beneficial owner?		No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:-		





PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																		
Pre-Announcement summary statement holding of specified securities																		
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares		
							Class: Equity shares	Class others: NA	Total			Total as a % of Total voting rights	No.			As a % of total shares held	Sub-Category, I	Sub-Category, II
(A) Promoter & Promoter Group	1	45,69,42,507	-	-	45,69,42,507	56.08	-	-	45,69,42,507	56.08	16,28,99,524	35.65	-	45,69,42,507	-	-	-	
(B) Public	2,11,147	35,77,96,946	-	-	35,77,96,946	43.92	-	-	35,77,96,946	43.92	-	-	-	35,77,96,946	-	-	-	
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>2,11,148</b>	<b>81,47,39,453</b>	<b>-</b>	<b>-</b>	<b>81,47,39,453</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>81,47,39,453</b>	<b>100.00</b>	<b>16,28,99,524</b>	<b>19.99</b>	<b>-</b>	<b>81,47,39,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Note: Total equity shares of 456,942,507 are held by Zuari Maroc Phosphates Private Limited (Promoter) includes 600 equity shares are held by ZMPPL along with joint holders.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferse Company")																			
Statement showing Pre Annulment shareholding pattern of Promoter and Promoter Group																			
Category and name of the shareholders	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity share held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholdin g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares		
									Class: Equity shares	Class others: NA	Total						No.	As a % of total shares held	No.
1)	Indian																		
(a)	Individuals/Hindu undivided Family																		
(b)	Central Government/ State Government(s)																		
(c)	Financial Institutions/ Banks																		
(f)	Any Other (specify)		1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	45,69,42,507	56.08	16,28,99,524	35.65	-	45,69,42,507	-	-	-
	Zuar Maroc Phosphates Private Limited		1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	45,69,42,507	56.08	16,28,99,524	35.65	-	45,69,42,507	-	-	-
	Sub-Total (A1)		1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	45,69,42,507	56.08	16,28,99,524	35.65	-	45,69,42,507	-	-	-
2)	Foreign																		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)																		
(b)	Government																		
(c)	Institutions																		
(d)	Foreign Portfolio Investors																		
(e)	Any Other (specify)																		
(f)	Sub-total (A2)																		
	Total Shareholding of Promoter and Promoter Group (A1)+(A2)		1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	45,69,42,507	56.08	16,28,99,524	35.65	-	45,69,42,507	-	-	-

Notes:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The term "Encumbrance" has the same meaning as assigned under Regulation 2(83) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (3) The above form needs to disclose name of all holders holding more than 1% of total number of shares.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																
Statement showing Pre-Assignment Shareholding pattern of Public shareholder																
Category and name of the shareholders	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares	
								Class: Equity shares	Class: others	Total		No.	As a % of total shares held			Sub-Category
		9	14,22,79,058	14,22,79,058	17.46	14,22,79,058	17.46	14,22,79,058	17.46	17.46	-	-	14,22,79,058	I	II	III
1) Institutions (Domestic)																
(a) Mutual Funds																
Hdfc Large And Mid Cap Fund	AAATH1809A	1	1,32,39,325	-	-	1,32,39,325	1.62	1,32,39,325	1.62	1,32,39,325	-	-	1,32,39,325	-	-	-
Mirae Asset Flexi Cap Fund	AACTM0203B	1	1,21,85,044	-	-	1,21,85,044	1.50	1,21,85,044	1.50	1,21,85,044	-	-	1,21,85,044	-	-	-
DPS Small Cap Fund	AAAD0480B	1	2,37,07,423	-	-	2,37,07,423	2.91	2,37,07,423	2.91	2,37,07,423	-	-	2,37,07,423	-	-	-
Nippon Life India Trustee Ltd./C Nippon India Small Cap Fund	AAATR0009B	1	2,92,99,855	-	-	2,92,99,855	3.60	2,92,99,855	3.60	2,92,99,855	-	-	2,92,99,855	-	-	-
Shi Multicap Fund	AABTS6407Q	1	5,66,25,728	-	-	5,66,25,728	6.95	5,66,25,728	6.95	5,66,25,728	-	-	5,66,25,728	-	-	-
Venture Capital Funds																
Alternate Investment Funds																
(c) Banks																
(e) Insurance Companies																
Life Insurances																
Corporation Of India	AAACL0582H	1	3,48,99,520	-	-	3,48,99,520	4.28	3,48,99,520	4.28	3,48,99,520	-	-	3,48,99,520	-	-	-
Provident / Pension Funds																
(f) Asset Reconstruction Companies																
(g) Sovereign Wealth Funds																
NBFCS registered with RBI																
(i) Other Financial Institutions																
(k) Any Other (specify)																
Sub-Total (B)(1)		11	17,94,59,408	-	-	17,94,59,408	22.03	17,94,59,408	22.03	17,94,59,408	-	-	17,94,59,408	-	-	-
2) Institutions (Foreign)																
(a) Foreign Direct Investment																
(b) Foreign Venture Capital Investors																
(c) Sovereign Wealth Funds																
(d) Foreign Portfolio Investors Category I																
Goldman Sachs Funds - Equity Portfolio	AAGCG9887L	1	1,69,45,906	-	-	1,69,45,906	2.08	1,69,45,906	2.08	1,69,45,906	-	-	1,69,45,906	-	-	-
Foreign Portfolio Investors Category II																
Overseas Depositories (holding DRs) (balancing figure)																
(f) Any Other (specify)																
Sub-Total (B)(2)		35	4,13,97,146	-	-	4,13,97,146	5.08	4,13,97,146	5.08	4,13,97,146	-	-	4,13,97,146	-	-	-
3) Central Government/ State Government(s)/ President of India																
(a) Central Government / President of India																
(b) State Government / Governor																





PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																	
Statement showing Pre Amalgamation shareholding pattern of Non Promoter- Non Public shareholder																	
Category and name of the shareholders	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form			
								Class: Equity shares	Class others: NA	Total					Total as a % of Total voting rights	No.	As a % of total shares held
1) Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021		-	-	-	-	-	-				-	-	-	-			
2) Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date	100.00	5.29
As on the end of previous 1st quarter	100.00	5.78
As on the end of previous 2nd quarter	100.00	5.51
As on the end of previous 3rd quarter	100.00	5.39
As on the end of previous 4th quarter	100.00	5.03



<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>			
<b>Post Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Paradeep Phosphates Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 543530 / NSE - PARADEEP		
3	<b>Shareholding Pattern Filed under:</b> Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
	1	Whether the Listed Entity has issued any partly paid up shares?	No
	2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
	3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
	4	Whether the Listed Entity has any shares in locked-in?	Yes
	5	Whether any shares held by promoters are pledge or otherwise encumbered?	No
	6	Whether Company has equity shares with differential voting rights?	No
	7	Whether the Listed Entity has any significant beneficial owner?	No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:-		





PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																			
Post Amalgamation summary statement holding of specified securities																			
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholdin g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares					
							No. of voting rights							No. of shares as a % of diluted share capital	As a % of total shares held	No. of shares held in dematerialized form	Shareholding (No. of shares)		
							Class: Equity shares	Class others: NA	Total								Sub-Category _I	Sub-Category _II	Sub-Category _III
(A) Promoter & Promoter Group	8	58,89,54,219	-	-	58,89,54,219	56.83	-	-	56.83	16,28,99,524	-	58,89,54,219	-	-	-	-			
(B) Public	2,64,394	44,74,08,560	-	-	44,74,08,560	43.17	-	-	43.17	-	-	44,74,08,560	-	-	-	-			
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Total</b>	<b>2,64,402</b>	<b>1,03,63,62,779</b>	<b>-</b>	<b>-</b>	<b>1,03,63,62,779</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>16,28,99,524</b>	<b>-</b>	<b>1,03,63,62,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			

Note: Total equity shares of 530257727 are held by Zuari Maroc Phosphates Private Limited (Promoter) includes 600 equity shares are held by ZMPPL along with joint holders.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferor Company")																															
Category and name of the shareholders	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Statement showing Post-Acquisition shareholding pattern of Promoter and Promoter Group			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares																
								Shareholdin g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	No. of shares pledged or otherwise encumbered		No. of shares held	As a % of total shares held	Sub-Category_I	Sub-Category_II	Sub-Category_III												
									Class: Equity shares	Class: others: NA										Total											
1) Indian																															
(a) Individuals/Hindu Undivided Family				3	9,48,374	-	9,48,374	0.09	9,48,374	-	-	-	9,48,374	-	-	-	-	-	-												
		ACTPA8806F		1	3,74,000	-	3,74,000	0.04	3,74,000	-	-	-	3,74,000	-	-	-	-	-	-												
		AFGPP2539E		1	2,93,874	-	2,93,874	0.03	2,93,874	-	-	-	2,93,874	-	-	-	-	-	-												
		AHHPA6396L		1	2,80,500	-	2,80,500	0.03	2,80,500	-	-	-	2,80,500	-	-	-	-	-	-												
(b) Central Government/ State Government(s)				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
(c) Financial Institutions/ Banks				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
(d) Institutions/ Banks Any Other (specify)				4	58,53,83,300	-	58,53,83,300	56.48	58,53,83,300	-	-	-	58,53,83,300	-	-	-	-	-	-												
		Zuari Maroc Phosphates Private Limited		1	53,02,57,727	-	53,02,57,727	51.17	53,02,57,727	-	-	-	53,02,57,727	-	-	-	-	-	-												
		Zuari Agro Chemicals Limited		1	4,64,17,816	-	4,64,17,816	4.48	4,64,17,816	-	-	-	4,64,17,816	-	-	-	-	-	-												
		Adventure Finance Private Limited		1	81,35,175	-	81,35,175	0.78	81,35,175	-	-	-	81,35,175	-	-	-	-	-	-												
		Zuari Industries Limited		1	5,72,582	-	5,72,582	0.06	5,72,582	-	-	-	5,72,582	-	-	-	-	-	-												
		Sub-Total (A)(1)		7	58,65,31,674	-	58,65,31,674	56.58	58,65,31,674	-	-	-	58,65,31,674	-	-	-	-	-	-												
2) Foreign				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
Individuals (Non-Resident)				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
Individuals/ Foreign Individuals)				1	26,22,545	-	26,22,545	0.25	26,22,545	-	-	-	26,22,545	-	-	-	-	-	-												
		AFUPPO96C		1	26,22,545	-	26,22,545	0.25	26,22,545	-	-	-	26,22,545	-	-	-	-	-	-												
(b) Government Institutions				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
(c) Foreign Portfolio Investors				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
(d) Any Other (specify)				1	26,22,545	-	26,22,545	0.25	26,22,545	-	-	-	26,22,545	-	-	-	-	-	-												
		Sub-Total (A)(2)		1	26,22,545	-	26,22,545	0.25	26,22,545	-	-	-	26,22,545	-	-	-	-	-	-												
Total Shareholding of Promoter and Promoter group (A)-(A)(1)-(A)(2)				8	58,89,54,219	-	58,89,54,219	56.83	58,89,54,219	-	-	-	58,89,54,219	-	-	-	-	-	-												
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - /N/A																															

Notes:

- PAN will not be displayed on website of Stock Exchange(s).
- The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- The term "Individuals" includes the names of all shareholders holding more than one lots of shares.
- As per Clause 31 of the draft contract of sale, the promoters of Paradeep Phosphates Private Limited, Zuari Agro Chemicals Limited, Adventure Finance Private Limited, Zuari Industries Limited and their affiliates (if any), company/ Akshay Poddar, Shradha Agarwala, Jyotsna Poddar, Gurav Agarwala, Zuari Agro Chemicals Limited, Adventure Finance Private Limited, Zuari Industries Limited and their affiliates (if any).
- The above post-scheme shareholding of PPL is calculated after considering the transfer of identified shares before the merger Record Date as per Part III of the draft composite scheme of arrangement.





PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																			
Statement showing Post-Amalgamation shareholding pattern of Public shareholder																			
Category and name of the shareholders	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares			
								No. of voting rights					Total % of Total voting rights	No.			As a % of total shares held	No.	As a % of total shares held
								Class: Equity shares	Class: others: NA	Total									
1) Institutions (Domestic)																			
(a) Mutual Funds		10	14,22,97,759	-	-	14,22,97,759	13.73	14,22,97,759	NA	13.73	-	-	-	14,22,97,759	-				
Hdfc Large And Mid Cap Fund	AAATH1809A	1	1,32,39,325	-	-	1,32,39,325	1.28	1,32,39,325	-	1.28	-	-	-	1,32,39,325	-				
Mitra Asset Flexi Cap Fund	AACFM0203B	1	1,21,85,044	-	-	1,21,85,044	1.18	1,21,85,044	-	1.18	-	-	-	1,21,85,044	-				
DPS Small Cap Fund	AAAD0480B	1	2,37,07,423	-	-	2,37,07,423	2.29	2,37,07,423	-	2.29	-	-	-	2,37,07,423	-				
Nippon Life India Trustee Ltd./C Nippon India Small Cap Fund	AAATR0090B	1	2,92,99,855	-	-	2,92,99,855	2.83	2,92,99,855	-	2.83	-	-	-	2,92,99,855	-				
Shi Multicap Fund	AABTS6407Q	1	5,66,25,728	-	-	5,66,25,728	5.46	5,66,25,728	-	5.46	-	-	-	5,66,25,728	-				
Venture Capital Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Alternate Investment Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(c) Banks		216	3,98,842	-	-	3,98,842	0.04	3,98,842	-	0.04	-	-	-	3,98,842	-				
(d) Insurance Companies		3	3,71,81,098	-	-	3,71,81,098	3.59	3,71,81,098	-	3.59	-	-	-	3,71,81,098	-				
(e) Life Insurances		1	3,48,99,520	-	-	3,48,99,520	3.37	3,48,99,520	-	3.37	-	-	-	3,48,99,520	-				
Corporation of India	AAACL0582H	1	3,48,99,520	-	-	3,48,99,520	3.37	3,48,99,520	-	3.37	-	-	-	3,48,99,520	-				
Provident / Pension Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(f) Asset Reconstruction Companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(g) Sovereign Wealth Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(h) NBFCs registered with RBI		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(i) Other Financial Institutions		2	42,79,332	-	-	42,79,332	0.41	42,79,332	-	0.41	-	-	-	42,79,332	-				
Rajasthan Global Securities Private Limited	AAACR4122R	1	42,76,142	-	-	42,76,142	0.41	42,76,142	-	0.41	-	-	-	42,76,142	-				
(k) Any Other (specify)		231	18,41,57,031	-	-	18,41,57,031	17.77	18,41,57,031	-	17.77	-	-	-	18,41,57,031	-				
(2) Sub-Total (B)(1)																			
Institutions (Foreign)		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(e) Foreign Direct Investment		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(b) Foreign Venture Capital Investors		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(c) Sovereign Wealth Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(d) Foreign Portfolio Investors Category I		45	4,10,19,959	-	-	4,10,19,959	3.96	4,10,19,959	-	3.96	-	-	-	4,10,19,959	-				
Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	AAGCG9887L	1	1,69,45,906	-	-	1,69,45,906	1.64	1,69,45,906	-	1.64	-	-	-	1,69,45,906	-				
(e) Foreign Portfolio Investors Category II		3	39,34,588	-	-	39,34,588	0.38	39,34,588	-	0.38	-	-	-	39,34,588	-				
Overseas Depositories (holding DRs) (balancing figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(f) Any Other (specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(g) Sub-Total (B)(2)		48	4,49,54,547	-	-	4,49,54,547	4.34	4,49,54,547	-	4.34	-	-	-	4,49,54,547	-				
Central Government / State Government / President of India		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(3) Central Government / President of India		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
(e) State Government / Governor		5	19,66,118	-	-	19,66,118	0.19	19,66,118	-	0.19	-	-	-	19,66,118	-				



(5) Sub-categorization of shares under will be based on shareholding (no. of shares) under the following sub-categories:

(i) Shareholders who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.

(ii) Shareholders who have entered into shareholder agreement with the listed entity.

(iii) Shareholders acting as persons in concert with promoters.

(6) The above post-scheme shareholding of PPL is calculated on the basis of total shareholders of PPL and MCFE as on quarter ended December, 2023. Upon merger, each shareholder of MCFE as on the Record Date would be issued equity shares of PPL in the ratio of 187 equity shares of PPL for every 100 equity shares held in MCFE. The fractional entitlement of each of the MCFE shareholders (if any) shall be sold in the market within 90 days of allotment of shares and distribution of cash to the MCFE shareholders shall take place only after sale of all the shares. Thus, the actual number of PPL shares to be issued to each of the MCFE shareholder as on the Record Date may vary due to the fractional entitlement. Further, this shareholding pattern does not take into account the shares under the ESOP scheme which may result in the additional 33,58,166 equity shares of PPL upon the exercise of the employee stock options issued by PPL.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																	
Statement showing Post Amalgamation shareholding pattern of Non Promoter- Non Public shareholder																	
Category and name of the shareholders	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form			
								Class: Equity shares	Class others: NA	Total					Total as a % of Total voting rights	No.	As a % of total shares held
1) Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021		-	-	-	-	-	-				-	-	-	-			
2) Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date	100.00	4.63
As on the end of previous 1st quarter	100.00	4.88
As on the end of previous 2nd quarter	100.00	4.61
As on the end of previous 3rd quarter	100.00	4.53
As on the end of previous 4th quarter	100.00	4.09





<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>			
<b>Pre Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Paradeep Phosphates Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 543530 / NSE - PARADEEP		
3	<b>Shareholding Pattern Filed under:</b> Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?	Yes	
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
6	Whether Company has equity shares with differential voting rights?		No
7	Whether the Listed Entity has any significant beneficial owner?		No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:-		



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																
Pre-Anализation summary statement holding of specified securities																
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares		
							Class: Equity shares	Class others: NA	Total		No.	As a % of total shares held		Sub-Category_I	Sub-Category_II	Sub-Category_III
(A) Promoter & Promoter Group	1	45,69,42,507	-	-	45,69,42,507	55.85	-	-	-	55.85	16,28,99,524	35.65	45,69,42,507	-	-	-
(B) Public	2,11,147	36,11,55,112	-	-	36,11,55,112	44.15	-	-	-	44.15	-	-	36,11,55,112	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,11,148</b>	<b>81,80,97,619</b>	<b>-</b>	<b>-</b>	<b>81,80,97,619</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>16,28,99,524</b>	<b>19.91</b>	<b>81,80,97,619</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Total equity shares of 456,942,507 are held by Zuari Maroc Phosphates Private Limited (Promoter) includes 600 equity shares are held by ZMPPL along with joint holders.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																				
Statement showing Pre-Allegation shareholding pattern of Promoter and Promoter Group																				
Category and name of the shareholders	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding 8% calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares				
									Class: Equity shares	Class: others: NA	Total	Total as a % of Total voting rights	No. of shares underlying convertible securities (as a percentage of diluted share capital)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No.	As a % of total shares held	Sub-Category_I	Sub-Category_II
1) Indian																				
(a) Individuals/Hindu undivided family																				
(b) Central Government/ State Government(s)																				
(c) Financial Institutions/ Banks																				
(d) Zuari Nitroc			1	45,69,42,507	-	-	45,69,42,507	55.85	45,69,42,507	-	-	45,69,42,507	55.85	16,28,99,524	35.65	-	45,69,42,507	-	-	-
(e) Phosphates Private Limited	Promoter	AAA-CZ17160	1	45,69,42,507	-	-	45,69,42,507	55.85	45,69,42,507	-	-	45,69,42,507	55.85	16,28,99,524	35.65	-	45,69,42,507	-	-	-
(f) Sub-Total (A)(1)			1	45,69,42,507	-	-	45,69,42,507	55.85	45,69,42,507	-	-	45,69,42,507	55.85	16,28,99,524	35.65	-	45,69,42,507	-	-	-
2) Foreign																				
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)																				
(b) Government																				
(c) Institutions																				
(d) Foreign Portfolio Investors																				
(e) Any Other (specify)																				
(f) Sub-Total (A)(2)																				
Total Shareholding of Promoter and Promoter Group (A)-(A)(1)-(A)(2)			1	45,69,42,507	-	-	45,69,42,507	55.85	45,69,42,507	-	-	45,69,42,507	55.85	16,28,99,524	35.65	-	45,69,42,507	-	-	-

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - /N/A

Note:  
(1) PAN would not be displayed on website of Stock Exchange(s).  
(2) The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.  
(3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.



**PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")**  
Statement showing Pre-Allegation shareholding pattern of Public shareholder

Category and name of the shareholders	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares				
								No. of voting rights				As a % of total shares held	No.			As a % of total shares held	No.	Sub-Category	Sub-Category	Sub-Category
								Class: Equity shares	Class: others	Total										
<b>1)</b>																				
<b>(a)</b>	<b>Institutions (Domestic)</b>		<b>9</b>	<b>14,22,79,058</b>	-	<b>14,22,79,058</b>	<b>17.39</b>	<b>14,22,79,058</b>	<b>17.39</b>	-	-	-	-	<b>14,22,79,058</b>	-	-	-	-	-	
	Mutual Funds																			
	Hofic Large And Mid Cap Fund	AAATH1809A	1	1,32,39,325	-	1,32,39,325	1.62	1,32,39,325	1.62	-	-	-	-	1,32,39,325	-	-	-	-	-	
	Mitrah Asset Flexi Cap Fund	AACTM0203B	1	1,21,85,044	-	1,21,85,044	1.49	1,21,85,044	1.49	-	-	-	-	1,21,85,044	-	-	-	-	-	
	DPS Small Cap Fund	AAAD0480B	1	2,37,07,423	-	2,37,07,423	2.90	2,37,07,423	2.90	-	-	-	-	2,37,07,423	-	-	-	-	-	
	Nippon Life India Trustee Ltd./C Nippon India Small Cap Fund	AAATR0009B	1	2,92,99,855	-	2,92,99,855	3.58	2,92,99,855	3.58	-	-	-	-	2,92,99,855	-	-	-	-	-	
	Shi Multicap Fund	AABTS6407Q	1	5,66,25,728	-	5,66,25,728	6.92	5,66,25,728	6.92	-	-	-	-	5,66,25,728	-	-	-	-	-	
<b>(b)</b>	<b>Venture Capital Funds</b>																			
	Alternate Investment Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>(c)</b>	<b>Banks</b>																			
<b>(d)</b>	<b>Insurance Companies</b>		<b>2</b>	<b>3,71,80,350</b>	-	<b>3,71,80,350</b>	<b>4.54</b>	<b>3,71,80,350</b>	<b>4.54</b>	-	-	-	-	<b>3,71,80,350</b>	-	-	-	-	-	
	Life Insurances																			
	Corporation Of India Provident / Pension Funds	AAACL0582H	1	3,48,99,520	-	3,48,99,520	4.27	3,48,99,520	4.27	-	-	-	-	3,48,99,520	-	-	-	-	-	
<b>(f)</b>	<b>Asset Reconstruction Companies</b>																			
<b>(g)</b>	<b>Sovereign Wealth Funds</b>																			
<b>(h)</b>	<b>NBFCS registered with RBI</b>																			
<b>(i)</b>	<b>Other Financial Institutions</b>																			
<b>(k)</b>	<b>Sub-Total (B1)</b>		<b>11</b>	<b>17,94,59,408</b>	-	<b>17,94,59,408</b>	<b>21.94</b>	<b>17,94,59,408</b>	<b>21.94</b>	-	-	-	-	<b>17,94,59,408</b>	-	-	-	-	-	
<b>2)</b>	<b>Institutions (Foreign)</b>																			
<b>(a)</b>	<b>Foreign Direct Investment</b>																			
<b>(b)</b>	<b>Foreign Venture Capital Investors</b>																			
<b>(c)</b>	<b>Sovereign Wealth Funds</b>																			
<b>(d)</b>	<b>Foreign Portfolio Investors Category I</b>		<b>32</b>	<b>3,74,62,558</b>	-	<b>3,74,62,558</b>	<b>4.58</b>	<b>3,74,62,558</b>	<b>4.58</b>	-	-	-	-	<b>3,74,62,558</b>	-	-	-	-	-	
	Goldman Sachs Funds - Equity Portfolio	AAGCG9887L	1	1,69,45,906	-	1,69,45,906	2.07	1,69,45,906	2.07	-	-	-	-	1,69,45,906	-	-	-	-	-	
<b>(e)</b>	<b>Foreign Portfolio Investors Category II</b>		<b>3</b>	<b>39,34,588</b>	-	<b>39,34,588</b>	<b>0.48</b>	<b>39,34,588</b>	<b>0.48</b>	-	-	-	-	<b>39,34,588</b>	-	-	-	-	-	
	Overseas Depositories (holding DRs) (balancing figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>(f)</b>	<b>Sub-Total (B2)</b>		<b>35</b>	<b>4,13,97,146</b>	-	<b>4,13,97,146</b>	<b>5.06</b>	<b>4,13,97,146</b>	<b>5.06</b>	-	-	-	-	<b>4,13,97,146</b>	-	-	-	-	-	
<b>3)</b>	<b>Central Government/ State Government(s)/ President of India</b>																			
<b>(a)</b>	<b>Central Government / President of India</b>																			
<b>(b)</b>	<b>State Government / Governor</b>																			





PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																			
Statement showing Pre Amalgamation shareholding pattern of Non Promoter- Non Public shareholder																			
Category and name of the shareholders	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form					
								Class: Equity shares	Class others: NA	Total					Total as a % of Total voting rights	No.	As a % of total shares held		
1) Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021		-	-	-	-	-	-				-	-	-	-				-	-
2) Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date	100.00	5.27
As on the end of previous 1st quarter	100.00	5.76
As on the end of previous 2nd quarter	100.00	5.49
As on the end of previous 3rd quarter	100.00	5.37
As on the end of previous 4th quarter	100.00	5.01





<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>			
<b>Post Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Paradeep Phosphates Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 543530 / NSE - PARADEEP		
3	<b>Shareholding Pattern Filed under:</b> Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
	1	Whether the Listed Entity has issued any partly paid up shares?	No
	2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
	3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
	4	Whether the Listed Entity has any shares in locked-in?	Yes
	5	Whether any shares held by promoters are pledge or otherwise encumbered?	No
	6	Whether Company has equity shares with differential voting rights?	No
	7	Whether the Listed Entity has any significant beneficial owner?	No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:-		



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																	
Post Amalgamation summary statement holding of specified securities																	
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholdin g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares			
							Class: Equity shares	Class others: NA	Total					No. of shares underlying convertible securities (as a percentage of diluted share capital)	No. of shares held	As a % of total shares held	Sub-Category _I
(A) Promoter & Promoter Group	8	58,89,54,219	-	-	58,89,54,219	56.65	-	-	56.65	16,28,99,524	-	58,89,54,219	-	-	-	-	-
(B) Public	2,64,394	45,07,66,726	-	-	45,07,66,726	43.35	-	-	43.35	-	-	45,07,66,726	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1) Shares underlying DRS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,64,402</b>	<b>1,03,97,20,945</b>	<b>-</b>	<b>-</b>	<b>1,03,97,20,945</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>16,28,99,524</b>	<b>15.67</b>	<b>1,03,97,20,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Total equity shares of 530257727 are held by Zuari Maroc Phosphates Private Limited (Promoter) includes 600 equity shares are held by ZMPPPL along with joint holders.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																				
Statement showing Post-Amalgamation shareholding pattern of Promoter and Promoter Group.																				
Category and name of the shareholders	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares				
									Class: Equity shares	Class others: NA	Total		No.	As a % of total shares held		No.	As a % of total shares held	Sub-Category_I	Sub-Category_II	Sub-Category_III
1) Indian																				
(a) Individuals/Hindu Undivided Family			3	9,48,374	-	-	9,48,374	0.09	9,48,374	-	9,48,374	0.09	-	-	9,48,374	-	-	-	-	-
	Promoter Group	ACTPA8806F	1	3,74,000	-	-	3,74,000	0.04	3,74,000	-	3,74,000	0.04	-	-	3,74,000	-	-	-	-	-
	Promoter Group	AFGPP2539E	1	2,93,874	-	-	2,93,874	0.03	2,93,874	-	2,93,874	0.03	-	-	2,93,874	-	-	-	-	-
	Promoter Group	AEHPA6396L	1	2,80,500	-	-	2,80,500	0.03	2,80,500	-	2,80,500	0.03	-	-	2,80,500	-	-	-	-	-
(b) Central Government/ State Government(s)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Financial Institutions/ Banks			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Institutions/ Banks Any Other (specify)			4	58,53,83,300	-	-	58,53,83,300	56.30	58,53,83,300	-	58,53,83,300	56.30	16,28,99,524	27.83	58,53,83,300	-	-	-	-	-
	Promoter	AAACZ1716D	1	53,02,57,727	-	-	53,02,57,727	51.00	53,02,57,727	-	53,02,57,727	51.00	16,28,99,524	30.72	53,02,57,727	-	-	-	-	-
	Promoter	AAACZ3924H	1	4,64,17,816	-	-	4,64,17,816	4.46	4,64,17,816	-	4,64,17,816	4.46	-	-	4,64,17,816	-	-	-	-	-
	Promoter Group	AARB03016H	1	81,35,175	-	-	81,35,175	0.78	81,35,175	-	81,35,175	0.78	-	-	81,35,175	-	-	-	-	-
	Promoter	AAACZ0306P	1	5,72,582	-	-	5,72,582	0.06	5,72,582	-	5,72,582	0.06	-	-	5,72,582	-	-	-	-	-
	Sub-total (A)(1)		7	58,65,31,674	-	-	58,65,31,674	56.39	58,65,31,674	-	58,65,31,674	56.39	16,28,99,524	27.83	58,65,31,674	-	-	-	-	-
2) Foreign																				
Individuals (Non-Resident Individuals/ Foreign Individuals)																				
(a) Individuals/ Foreign Individuals			1	26,22,545	-	-	26,22,545	0.25	26,22,545	-	26,22,545	0.25	-	-	26,22,545	-	-	-	-	-
	Promoter	AFUPPO96C	1	26,22,545	-	-	26,22,545	0.25	26,22,545	-	26,22,545	0.25	-	-	26,22,545	-	-	-	-	-
(b) Government Institutions			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Foreign Portfolio Investors			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Any Other (specify)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)		1	26,22,545	-	-	26,22,545	0	26,22,545	-	26,22,545	0	-	-	26,22,545	-	-	-	-	-
Total Shareholding of Promoter and Promoter group (A)-(A)(1)+(A)(2)			8	58,89,54,219	-	-	58,89,54,219	56.65	58,89,54,219	-	58,89,54,219	56.65	16,28,99,524	27.83	58,89,54,219	-	-	-	-	-
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. -														N/A						

**Note:**

(1) PAN will not be displayed on website of Stock Exchange(s).

(2) The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

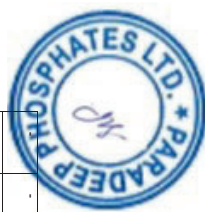
(3) The above form needs to disclose name of all holders holding more than 1% of total number of shares.

(4) As per Clause 31 of the draft composite scheme of arrangement, upon the composite scheme of arrangement coming into effect in accordance with its terms, in addition to the existing promoters of PPL (i.e., the transferee company), Ashish Poddar, Shradha Agarwal, Jyotsna Poddar, Gourav Agarwal, Zuari Agro Chemicals Limited, Adventer Finance Private Limited, Zuari Industries Limited and their affiliates (if any).

(5) The above post-scheme shareholding of PPL is calculated after considering the transfer of identified shares before the merger Record Date as per Part III of the draft composite scheme of arrangement.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																		
Category and name of the shareholders	PAN	No. of shareholder	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares		
								No. of voting rights					As a % of total shares held	No. of shares pledged or otherwise encumbered		As a % of total shares held	Sub-Category	Sub-Category
								Class: Equity shares	Class: others: NA	Total								
<b>1)</b>																		
(a) Institutions (Domestic)																		
Mutual Funds		10	14,22,97,759	-	-	14,22,97,759	13.69	14,22,97,759	-	-	-	13.69	-	14,22,97,759	-	-	-	
Hofic Large And Mid Cap Fund	AAATH1809A	1	1,32,39,325	-	-	1,32,39,325	1.27	1,32,39,325	-	-	-	1.27	-	1,32,39,325	-	-	-	
Mitra Asset Flexi Cap Fund	AACFM0203B	1	1,21,85,044	-	-	1,21,85,044	1.17	1,21,85,044	-	-	-	1.17	-	1,21,85,044	-	-	-	
DPS Small Cap Fund	AAAD0480B	1	2,37,07,423	-	-	2,37,07,423	2.28	2,37,07,423	-	-	-	2.28	-	2,37,07,423	-	-	-	
Nippon Life India Trustee Ltd./C Nippon India Small Cap Fund	AAATR0090B	1	2,92,99,855	-	-	2,92,99,855	2.82	2,92,99,855	-	-	-	2.82	-	2,92,99,855	-	-	-	
Shi Multicap Fund	AABTS6407Q	1	5,66,25,728	-	-	5,66,25,728	5.45	5,66,25,728	-	-	-	5.45	-	5,66,25,728	-	-	-	
<b>(b)</b>																		
Venture Capital Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Alternate Investment Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c) Banks		216	3,98,842	-	-	3,98,842	0.04	3,98,842	-	-	-	0.04	-	3,98,842	-	-	-	
(d) Insurance Companies		3	3,71,81,098	-	-	3,71,81,098	3.58	3,71,81,098	-	-	-	3.58	-	3,71,81,098	-	-	-	
(e) Life Insurances		1	3,48,99,520	-	-	3,48,99,520	3.36	3,48,99,520	-	-	-	3.36	-	3,48,99,520	-	-	-	
(f) Corporation of India	AAACL0582H	1	3,48,99,520	-	-	3,48,99,520	3.36	3,48,99,520	-	-	-	3.36	-	3,48,99,520	-	-	-	
(g) Provident / Pension Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(h) Asset Reconstruction Companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i) Sovereign Wealth Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(j) NBFCs registered with RBI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(k) Other Financial Institutions		2	42,79,332	-	-	42,79,332	0.41	42,79,332	-	-	-	0.41	-	42,79,332	-	-	-	
(l) Rajasthan Global Securities Private Limited	AAACR4122R	1	42,76,142	-	-	42,76,142	0.41	42,76,142	-	-	-	0.41	-	42,76,142	-	-	-	
(m) Any Other (specify)		231	18,41,57,031	-	-	18,41,57,031	17.71	18,41,57,031	-	-	-	17.71	-	18,41,57,031	-	-	-	
(n) Sub-Total (B)(1)																		
<b>2)</b>																		
Institutions (Foreign)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign Direct Investment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign Venture Capital Investors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sovereign Wealth Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(o) Foreign Portfolio Investors Category I		45	4,10,19,959	-	-	4,10,19,959	3.95	4,10,19,959	-	-	-	3.95	-	4,10,19,959	-	-	-	
(p) Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	AAGCG9887L	1	1,69,45,906	-	-	1,69,45,906	1.63	1,69,45,906	-	-	-	1.63	-	1,69,45,906	-	-	-	
(q) Foreign Portfolio Investors Category II		3	39,34,588	-	-	39,34,588	0.38	39,34,588	-	-	-	0.38	-	39,34,588	-	-	-	
(r) Overseas Depositories (holding DRs) (balancing figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(s) Any Other (specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(t) Sub-Total (B)(2)		48	4,49,54,547	-	-	4,49,54,547	4.32	4,49,54,547	-	-	-	4.32	-	4,49,54,547	-	-	-	
<b>3)</b>																		
Central Government / State Government(s) / President of India		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(a) Central Government / President of India		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b) State Government / Governor		5	19,66,118	-	-	19,66,118	0.19	19,66,118	-	-	-	0.19	-	19,66,118	-	-	-	





(5) Sub-categorization of shares under will be based on shareholding (no. of shares) under the following sub-categories:  
(i) Shareholders who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.  
(ii) Shareholders who have entered into shareholder agreement with the listed entity.  
(iii) Shareholders acting as persons in concert with promoters.

(6) The above post-scheme shareholding of PPL is calculated on the basis of total shareholders of PPL and MCFL as on quarter ended December 2023. Upon merger, each shareholder of MCFL as on the Record Date would be issued equity shares of PPL in the ratio of 187 equity shares of PPL for every 100 equity shares held in MCFL. The fractional entitlement of each of the MCFL shareholders (if any) shall be sold in the market within 90 days of allotment of shares and distribution of cash to the MCFL shareholders shall take place only after sale of all the shares. Thus, the actual number of PPL shares to be issued to each of the MCFL shareholder as on the Record Date may vary due to the fractional entitlement. Further, this shareholding pattern does not take into account the shares under the ESOP scheme which may result in the additional 33,58,166 equity shares of PPL upon the exercise of the employee stock options issued by PPL.



**PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")**

**Statement showing Post Amalgamation shareholding pattern of Non Promoter- Non Public shareholder**

Category and name of the shareholders	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form	
								No. of voting rights		Total as a % of Total voting rights		No.	As a % of total shares held	No.	As a % of total shares held		
								Class: Equity shares	Class others: NA								As a % of total shares held
1) Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2) Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.





PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date	100.00	4.62
As on the end of previous 1st quarter	100.00	4.86
As on the end of previous 2nd quarter	100.00	4.60
As on the end of previous 3rd quarter	100.00	4.51
As on the end of previous 4th quarter	100.00	4.07



Annexure 6B

MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCF" or "Transferor Company")		
Pre Amalgamation Shareholding Pattern		
Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015		
Name of Listed Entity: Mangalore Chemicals & Fertilizers Limited		
Scrip Code/ Name of Scrip/ Class of Security: BSE -530011 / NSE -MANGCHEFER		
Shareholding Pattern Filed under: Reg. 31(1)(c)		
Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-		
Particulars	Yes*	No*
1 Whether the Listed Entity has issued any partly paid up shares?		No
2 Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledged or otherwise encumbered?	Yes	No
6 Whether Company has equity shares with differential voting rights?		No
7 Whether the Listed Entity has any significant beneficial owner?		No
* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
The tabular format for disclosure of holding of specified securities is as follows:-		
5		



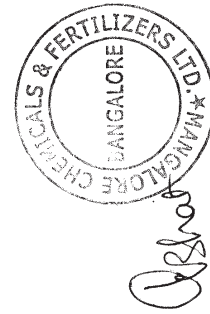
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MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCF") or "Transfer Company"																	
Pre Announced Summary Statement holding of specified securities																	
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares			
							Class: Equity shares	Class others: NA	Total		No.	(As a % of total shares held)		No. of shares pledged or otherwise encumbered	(As a % of total shares held)	Sub-Category	Sub-Category
(A) Promoter & Promoter Group	8	7,18,51,686	-	-	7,18,51,686	60.63	7,18,51,686	-	7,18,51,686	60.63	-	5,45,50,074	75.92	7,18,51,686	-	-	-
(B) Public	53,246	4,66,63,464	-	-	4,66,63,464	39.37	4,66,63,464	-	4,66,63,464	39.37	-	4,44,40,351	-	-	-	-	-
(C) Non Promoter/Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2) Total	53,254	11,85,15,150	-	-	11,85,15,150	100.00	11,85,15,150	-	11,85,15,150	100.00	-	5,45,50,074	46.03	11,62,92,037	-	-	-

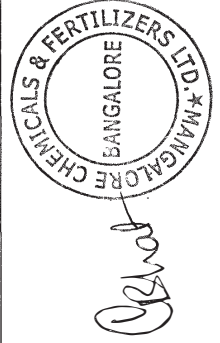


MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCL") or "Mangalore Company"															
Statement showing the Arrangements/Shareholding pattern of Promoter and Promoter Group															
Category and name of the shareholders	Entity type i.e. promoter, promoter group entity (except promoter)	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	8% SCR, 1957	No. of voting rights			Shareholding, as a % assuming conversion of convertible securities (as a percentage of diluted share capital)	No. of shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form	Sub-categorization of shares
								Equity shares	Class other: NA	Total		No.	As a % of total shares held		
1) Indian															
(a) Individuals/Hindu undivided family		3	5,07,152	-	-	5,07,152	0.43	5,07,152	-	5,07,152	0.43	-	-	5,07,152	-
Shri. Ashw. Agarwala	Promoter Group	1	2,00,000	-	-	2,00,000	0.17	2,00,000	-	2,00,000	0.17	-	-	2,00,000	-
Prabhakar Poddar	Promoter Group	1	1,57,152	-	-	1,57,152	0.13	1,57,152	-	1,57,152	0.13	-	-	1,57,152	-
Saurav Agarwala	Promoter Group	1	1,50,000	-	-	1,50,000	0.13	1,50,000	-	1,50,000	0.13	-	-	1,50,000	-
(b) Government/ State Government(s)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Institutions/Banks		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Any Other (Specify)		4	6,99,42,103	-	-	6,99,42,103	59.02	6,99,42,103	-	6,99,42,103	59.02	-	-	6,99,42,103	-
Adani Agro	Promoter	1	6,40,28,362	-	-	6,40,28,362	54.03	6,40,28,362	-	6,40,28,362	54.03	-	-	6,40,28,362	-
Adani Chemicals Limited	Promoter	1	43,50,361	-	-	43,50,361	3.67	43,50,361	-	43,50,361	3.67	-	-	43,50,361	-
Adani Finance Private Limited	Promoter	1	12,57,186	-	-	12,57,186	1.06	12,57,186	-	12,57,186	1.06	-	-	12,57,186	-
Adani Infrastructure Holdings Limited	Promoter	1	3,06,194	-	-	3,06,194	0.26	3,06,194	-	3,06,194	0.26	-	-	3,06,194	-
Adani Breweries Limited	Promoter	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Adani Holdings Limited	Promoter	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Adani Invest	Promoter	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (A1)		7	7,04,49,255	-	-	7,04,49,255	59.44	7,04,49,255	-	7,04,49,255	59.44	-	-	7,04,49,255	-
2) Foreign															
(a) Individuals (Non-Resident)		1	14,02,431	-	-	14,02,431	1.18	14,02,431	-	14,02,431	1.18	-	-	14,02,431	-
Individuals/Foreign Institutions	Promoter	1	14,02,431	-	-	14,02,431	1.18	14,02,431	-	14,02,431	1.18	-	-	14,02,431	-
(b) Government Institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Foreign Portfolio Investors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Any Other (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Sub-Total (A2)		1	14,02,431	-	-	14,02,431	1.18	14,02,431	-	14,02,431	1.18	-	-	14,02,431	-
Total (A) = (A1) + (A2)		8	7,18,51,686	-	-	7,18,51,686	60.63	7,18,51,686	-	7,18,51,686	60.63	-	-	7,18,51,686	-

Note:  
 (1) The above information has been furnished to the best of the knowledge and belief of the Company and its promoters, directors and officers.  
 (2) The term "Institution" has the same meaning as assigned under Regulation 2(b) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.  
 (3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.



MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCFE" or "Transferor Company")														
Statement showing the Allotment of shares held in each class of securities														
Category and name of the shareholders	No. of shareholders	No. of fully paid-up equity shares held	Party paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	No. of voting rights			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares
							Class: Equity shares	Class: others: NA	Total					
							Class: Equity shares	Class: others: NA	Total			Sub-Category	Sub-Category	
1) Institutions (Domestic)														
(a) Mutual Funds	1	10,000	-	-	10,000	0.01	10,000	-	10,000	0.01	-	10,000	-	-
(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Banks	216	2,13,285	-	-	2,13,285	0.18	2,13,285	-	2,13,285	0.18	-	850	-	-
(e) Insurance Companies	1	400	-	-	400	0.00	400	-	400	0.00	-	-	-	-
(f) Provident / Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g) Asset Reconstruction Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h) Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j) Other Financial Institutions	2	22,88,413	-	-	22,88,413	1.93	22,88,413	-	22,88,413	1.93	-	22,86,707	-	-
(k) Rajasthan Global Securities Private Limited	1	22,86,707	-	-	22,86,707	1.93	22,86,707	-	22,86,707	1.93	-	22,86,707	-	-
(l) Any Other (specify)	220	25,12,098	-	-	25,12,098	2.12	25,12,098	-	25,12,098	2.12	-	22,97,557	-	-
2) Institutions (foreign)														
(a) Foreign Direct Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Foreign Portfolio Investors Category I	13	19,02,354	-	-	19,02,354	1.61	19,02,354	-	19,02,354	1.61	-	19,02,354	-	-
(e) Foreign Portfolio Investors Category II	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f) Overseas Depositories (holding DPs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g) Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h) Sub-total (B)(2)	13	19,02,354	-	-	19,02,354	1.61	19,02,354	-	19,02,354	1.61	-	19,02,354	-	-
3) Central Government / State Government (S/ President of India)														
(a) Central Government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) State Government / Governor	5	10,51,400	-	-	10,51,400	0.89	10,51,400	-	10,51,400	0.89	-	10,50,000	-	-



(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter.	5	10,51,400	10,51,400	0.89	10,51,400	0.89	10,51,400	0.89	10,50,000	-	-	-	-	-	-	-	-		
(d)	Associate companies / Subsidiaries																			
(e)	Directors and their relatives (excluding independent directors and nominee directors)	2	1,500	1,500	0.00	1,500	0.00	1,500	0.00	1,500	-	-	-	-	-	-	-	-	1,500	
(f)	Key Managerial Personnel	1	250	250	0.00	250	0.00	250	0.00	250	-	-	-	-	-	-	-	-	250	
(g)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)																			
(h)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary' or 'author of the trust'																			
(i)	Investor Education and Protection Fund (IEPF)	1	29,36,493	29,36,493	2.48	29,36,493	2.48	29,36,493	2.48	29,36,493	-	-	-	-	-	-	-	-	29,36,493	
(j)	Investor Education and Protection Fund Authority Ministry Of Corporate Affairs	1	29,36,493	29,36,493	2.48	29,36,493	2.48	29,36,493	2.48	29,36,493	-	-	-	-	-	-	-	-	29,36,493	
(k)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	51,197	1,72,66,477	1,72,66,477	14.57	1,72,66,477	14.57	1,72,66,477	14.57	1,72,66,477	-	-	-	-	-	-	-	-	1,54,03,357	
(l)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	127	1,04,11,400	1,04,11,400	8.78	1,04,11,400	8.78	1,04,11,400	8.78	1,04,11,400	-	-	-	-	-	-	-	-	1,03,37,888	
(m)	Non Resident Indians (NRIs)	547	15,40,990	15,40,990	1.30	15,40,990	1.30	15,40,990	1.30	15,40,990	-	-	-	-	-	-	-	-	15,40,990	
(n)	Foreign Nationals																			
(o)	Bodies Corporate	350	81,86,880	81,86,880	6.91	81,86,880	6.91	81,86,880	6.91	81,86,880	-	-	-	-	-	-	-	-	81,16,990	
(p)	Any Other (Specify)	783	13,68,716	13,68,716	1.15	13,68,716	1.15	13,68,716	1.15	13,68,716	-	-	-	-	-	-	-	-	13,68,666	
(q)	Societies	1	50	50	0.00	50	0.00	50	0.00	50	-	-	-	-	-	-	-	-	50	
(r)	Trusts	3	338	338	0.00	338	0.00	338	0.00	338	-	-	-	-	-	-	-	-	338	
(s)	HUF	774	13,56,903	13,56,903	1.14	13,56,903	1.14	13,56,903	1.14	13,56,903	-	-	-	-	-	-	-	-	13,56,903	
(t)	Director or Director's Relatives	1	11,150	11,150	0.01	11,150	0.01	11,150	0.01	11,150	-	-	-	-	-	-	-	-	11,150	
(u)	Clearing Members	4	275	275	0.00	275	0.00	275	0.00	275	-	-	-	-	-	-	-	-	275	
(v)	Sub-Total (B)(4)	53,008	4,11,97,612	4,11,97,612	34.76	4,11,97,612	34.76	4,11,97,612	34.76	4,11,97,612	-	-	-	-	-	-	-	-	3,91,90,440	



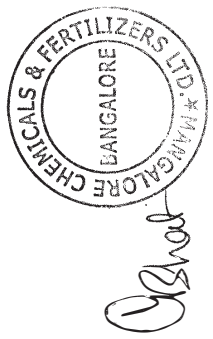
*Signature*

Total Shareholding of Public (B)-(E)+(F)+(G)+(H)+(I)+(J)+(K)+(L)	53,246	4,66,63,464	-	4,66,63,464	39.37	4,66,63,464	39.37	4,66,63,464	39.37	-	-	-	-	4,44,40,351
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Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):  
 Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
- (5) Sub-categorization of shares will be based on shareholding (no. of shares) under the following sub-categories:
  - (i) Shareholders who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
  - (ii) Shareholders who have entered into shareholder agreement with the listed entity.
  - (iii) Shareholders acting as persons in concert with promoters.





MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCF" or "Transferor Company")												
Statement showing Pre Annulment shareholding pattern of Non Promoter, Non Public shareholder												
Category and name of the shareholders	No. of shares held	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form
						Class: Equity shares	Class others: NA	Total				
						No. of voting rights						
						Total as a % of Total voting rights						
1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-	-	-	-	-	-	-	-
2) Total Non-Promoter-Non Public Shareholding (C)=(C1)+(C2)	-	-	-	-	-	-	-	-	-	-	-	-

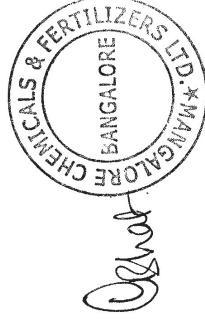
**Note:**

- (1) PAN would not be displayed on website of Stock
- (2) The term 'Encumbrance' has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2009
- (3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.

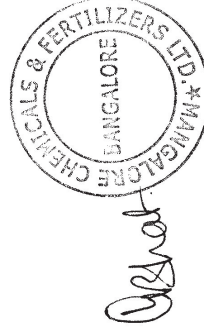


*Q. S. Rao*

MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCFL" or "Transferor Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date	100.00	2.21
As on the end of previous 1st quarter	100.00	1.57
As on the end of previous 2nd quarter	100.00	1.33
As on the end of previous 3rd quarter	100.00	1.36
As on the end of previous 4th quarter	100.00	0.62

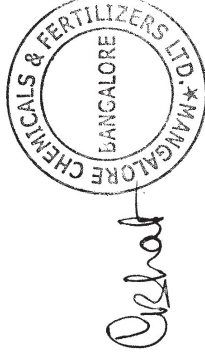


MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCFL" or "Transferor Company")		
Post Amalgamation Shareholding Pattern		
Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015		
Name of Listed Entity: Mangalore Chemicals & Fertilizers Limited		
Scrip Code/ Name of Scrip/ Class of Security: BSE - 530011 / NSE - MANGCHEFER		
Shareholding Pattern Filed under: Reg. 31(1)(c)		
Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-		
Particulars	Yes*	No*
1 Whether the Listed Entity has issued any partly paid up shares?		No
2 Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledged or otherwise encumbered?		No
6 Whether Company has equity shares with differential voting rights?		No
7 Whether the Listed Entity has any significant beneficial owner?		No
* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5 The tabular format for disclosure of holding of specified securities is as follows:-		



MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCEL" or "Transferor Company")																		
Post-Announcement summary statement holding of specified securities																		
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares		
							Class: Equity shares	Class others: NA	Total			No.	As a % of total shares held			No.	As a % of total shares held	Sub-Category
(A) Promoter & Promoter Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B) Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1) Shares underlying DRS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:



MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCF L" or "Transferor Company")																		
Category and name of the shareholders	Entity type i.e. promoter OR promoter group entity (except promoter)	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as % calculated as per SCRR, 1957	No. of voting rights			Shareholding as convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares			
								Class: Equity shares	Class: others: NA	Total								
								Equity shares	Class: others: NA	Total		No.	As a % of total shares held	As a % of total shares held	Sub-Category	Sub-Category	Category	
1) Indian																		
(a) Individually/Hindu Undivided Family/General																		
(b) Government/State Government(s)																		
(c) Financial Institutions/Banks																		
(d) Any Other (Specify)																		
2) Foreign																		
(a) Resident Individuals (Non-Individuals)																		
(b) Government																		
(c) Foreign Portfolio Investors																		
(d) Any Other (Specify)																		
(e) Total Shareholding of Promoter and Promoter Group (A) to (A)(I) & (A)(2)																		

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/undimmed suspense account, voting rights which are frozen etc. -N/A

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The term "Incumbance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (3) The above normal needs to disclose name of all holders holding more than 1% of total number of shares.

*Prashant*



MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCF" or "Transferor Company")																																										
Category and name of the Shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	No. of voting rights			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked-in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares																												
							Number of voting rights held in each class of securities							No. of shares underlying convertible securities (as a percentage of diluted share capital)	No. of locked-in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-Category I	Sub-Category II	Sub-Category III																						
							Class: Equity shares	Class: others: DIA	Total																																	
1)																																										
(a) Institutions (Domestic)																																										
(b) Mutual Funds																																										
(c) Venture Capital Funds																																										
(d) Alternate Investment Funds																																										
(e) Banks																																										
(f) Insurance Companies																																										
(g) Provident / Pension Funds																																										
(h) Asset Reconstruction Companies																																										
(i) Sovereign Wealth Funds																																										
(j) NBFCs registered with RBI																																										
(k) Other Financial Institutions																																										
(l) Any Other (specify)																																										
(m) Sub-Total (B)(1)																																										
2)																																										
(a) Institutions (foreign)																																										
(b) Foreign Direct Investment																																										
(c) Foreign Venture Capital Investors																																										
(d) Sovereign Wealth Funds																																										
(e) Foreign Portfolio Investors Category I																																										
(f) Foreign Portfolio Investors Category II																																										
(g) Overseas Depositories (holding DRs)																																										
(h) Any Other (specify)																																										
(i) Sub-Total (B)(2)																																										
3)																																										
(a) Central Government / State Government(s) / President of India																																										
(b) Central Government / State Government / Governor																																										
(c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter																																										
(d) Sub-Total (B)(3)																																										



*Qdnot*

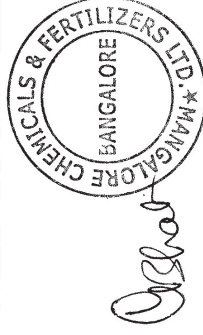




MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCEL" or "Transferor Company")												
Statement showing Post-Amalgamation Shareholding pattern of Non Promoter, Non Public Shareholder												
Category and name of the shareholders	No. of shares held	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of Depository Receipts	Total no. of shares held as per SCRR, 1957	No. of voting rights			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form
						Class: Equity shares	Class: others: NA	Total		No.	As a % of total shares held	
1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-	-	-	-	-	-	-	-
2) Total Non-Promoter-Non Public Shareholding (C)=[C1]+[C2]	-	-	-	-	-	-	-	-	-	-	-	-

Note:

- (1) PAN would not be displayed on website of Stock
- (2) The term 'Encumbrance' has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeover)
- (3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.





MANGALORE CHEMICALS & FERTILIZERS LIMITED ("MCFL" or "Transferor Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date		
As on the end of previous 1st quarter		
As on the end of previous 2nd quarter		
As on the end of previous 3rd quarter		
As on the end of previous 4th quarter		



*[Handwritten signature]*



<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>			
<b>Pre Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Paradeep Phosphates Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 543530 / NSE - PARADEEP		
3	<b>Shareholding Pattern Filed under:</b> Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?	Yes	
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
6	Whether Company has equity shares with differential voting rights?		No
7	Whether the Listed Entity has any significant beneficial owner?		No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:-		



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																		
Pre-Amalgamation summary statement holding of specified securities																		
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares		
							No. of voting rights		Total as a % of Total voting rights			No.	As a % of total shares held			Sub-Category - I	Sub-Category - II	Sub-Category - III
Class: Equity shares		Class others: NA		Total		No.		As a % of total shares held		Shareholding (No. of shares under)								
(A) Promoter & Promoter Group	1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	-	56.08	16,28,99,524	35.65	-	45,69,42,507	-	-	-	
(B) Public	2,11,147	35,77,96,946	-	-	35,77,96,946	43.92	35,77,96,946	-	-	43.92	-	-	-	35,77,96,946	-	-	-	
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>2,11,148</b>	<b>81,47,39,453</b>	<b>-</b>	<b>-</b>	<b>81,47,39,453</b>	<b>100.00</b>	<b>81,47,39,453</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>16,28,99,524</b>	<b>19.99</b>	<b>-</b>	<b>81,47,39,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Note: Total equity shares of 456,942,507 are held by Zuari Maroc Phosphates Private Limited (Promoter) includes 600 equity shares are held by ZMPPL along with joint holders.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																		
Statement showing Pre Amalgamation shareholding pattern of Promoter and Promoter Group																		
Category and name of the shareholders	Entity type i.e. promoter OR promoter group entity (except promoter)	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares		
								Class: Equity shares	Class others: NA	Total						No.	As a % of total shares held	No.
1)																		
(a)	Indian individuals/Hindu undivided Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	45,69,42,507	56.08	16,28,99,524	-	-	45,69,42,507	-	-	-
	Zuari Nitroc Phosphates Private Limited	1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	45,69,42,507	56.08	16,28,99,524	-	-	45,69,42,507	-	-	-
	Sub-Total (A)(1)	1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	45,69,42,507	56.08	16,28,99,524	-	-	45,69,42,507	-	-	-
2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group	1	45,69,42,507	-	-	45,69,42,507	56.08	45,69,42,507	-	45,69,42,507	56.08	16,28,99,524	-	-	45,69,42,507	-	-	-
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/ unclaimed suspense account, voting rights which are frozen etc. -N/A																		

Notes:  
(1) PAN would not be displayed on website of Stock Exchange(s).  
(2) The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.  
(3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.







PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")														
Statement showing Pre-Amalgamation shareholding pattern of Non Promoter- Non Public shareholder														
Category and name of the shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding in g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	
							No. of voting rights	Total % of Total voting rights	No. of shares underlying convertible securities (as a percentage of diluted share capital)					
							Class: Equity shares	Class others: NA	Total		No.	As a % of total shares held	No.	As a % of total shares held
1)	Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
2)	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.





PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date	100.00	5.29
As on the end of previous 1st quarter	100.00	5.78
As on the end of previous 2nd quarter	100.00	5.51
As on the end of previous 3rd quarter	100.00	5.39
As on the end of previous 4th quarter	100.00	5.03



<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>			
<b>Post Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Paradeep Phosphates Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 543530 / NSE - PARADEEP		
3	<b>Shareholding Pattern Filed under:</b> Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
	1	Whether the Listed Entity has issued any partly paid up shares?	No
	2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
	3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
	4	Whether the Listed Entity has any shares in locked-in?	Yes
	5	Whether any shares held by promoters are pledged or otherwise encumbered?	No
	6	Whether Company has equity shares with differential voting rights?	No
	7	Whether the Listed Entity has any significant beneficial owner?	No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:-		



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																
Post Amalgamation summary statement holding of specified securities																
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholdin g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares		
							No. of voting rights		Total as a % of Total voting rights					No.	As a % of total shares held	Sub-Category
							Class: Equity shares	Class others: NA	Total				Sub-Category	Sub-Category	Sub-Category	
(A) Promoter & Promoter Group	8	58,89,54,219	-	-	58,89,54,219	56.83	58,89,54,219	-	56.83	16,28,99,524	-	58,89,54,219	-	-	-	
(B) Public	2,64,394	44,74,08,560	-	-	44,74,08,560	43.17	44,74,08,560	-	43.17	-	-	44,74,08,560	-	-	-	
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1) Shares underlying DRS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>2,64,402</b>	<b>1,03,63,62,779</b>	<b>-</b>	<b>-</b>	<b>1,03,63,62,779</b>	<b>100.00</b>	<b>1,03,63,62,779</b>	<b>-</b>	<b>100.00</b>	<b>16,28,99,524</b>	<b>-</b>	<b>1,03,63,62,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Note: Total equity shares of 530257727 are held by Zuari Maroc Phosphates Private Limited (Promoter) includes 600 equity shares are held by ZMPPL along with joint holders.



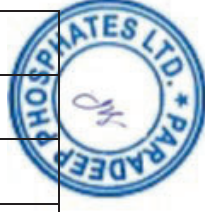
PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																			
Statement showing Post-Amalgamation shareholding pattern of Promoter and Promoter Group																			
Category and name of the shareholders	Entity type i.e. promoter OR promoter group entity (except promoter)	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	No. of voting rights			Total as a % of Total voting rights	No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares		
								Class: Equity shares	Class others: NA	Total							No.	As a % of total shares held	No.
1)	Indian																		
(a)	Individuals/Hindu undivided Family	3	9,48,374	-	-	9,48,374	0.09	9,48,374	-	9,48,374	0.09	0.09	-	-	9,48,374	-	-	-	-
	Shradha Agarwala	1	3,74,000	-	-	3,74,000	0.04	3,74,000	-	3,74,000	0.04	0.04	-	-	3,74,000	-	-	-	-
	Jyotsna Poddar	1	2,93,874	-	-	2,93,874	0.03	2,93,874	-	2,93,874	0.03	0.03	-	-	2,93,874	-	-	-	-
	Gaurav Agarwala	1	2,80,500	-	-	2,80,500	0.03	2,80,500	-	2,80,500	0.03	0.03	-	-	2,80,500	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	4	58,53,83,300	-	-	58,53,83,300	56.48	58,53,83,300	-	58,53,83,300	56.48	56.48	16,28,99,524	27.83	58,53,83,300	-	-	-	-
	Zuari Maroc Phosphates Private Limited	1	53,02,57,727	-	-	53,02,57,727	51.17	53,02,57,727	-	53,02,57,727	51.17	51.17	16,28,99,524	30.72	53,02,57,727	-	-	-	-
	Zuari Agro Chemicals Limited	1	4,64,17,816	-	-	4,64,17,816	4.48	4,64,17,816	-	4,64,17,816	4.48	4.48	-	-	4,64,17,816	-	-	-	-
	Adventz Finance Private Limited	1	81,35,175	-	-	81,35,175	0.78	81,35,175	-	81,35,175	0.78	0.78	-	-	81,35,175	-	-	-	-
	Zuari Industries Limited	1	5,72,582	-	-	5,72,582	0.06	5,72,582	-	5,72,582	0.06	0.06	-	-	5,72,582	-	-	-	-
	Sub-Total (A)[1]	7	58,63,31,674	-	-	58,63,31,674	56.58	58,63,31,674	-	58,63,31,674	56.58	56.58	16,28,99,524	27.83	58,63,31,674	-	-	-	-
2)	Foreign																		
	Individuals (Non-Resident Individuals/ Foreign Individuals)	1	26,22,545	-	-	26,22,545	0.25	26,22,545	-	26,22,545	0.25	0.25	-	-	26,22,545	-	-	-	-
(a)	Alkshay Poddar	1	26,22,545	-	-	26,22,545	0.25	26,22,545	-	26,22,545	0.25	0.25	-	-	26,22,545	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	1	26,22,545	-	-	26,22,545	0.25	26,22,545	-	26,22,545	0.25	0.25	-	-	26,22,545	-	-	-	-
	Sub-total (A)[2]	1	26,22,545	-	-	26,22,545	0.25	26,22,545	-	26,22,545	0.25	0.25	-	-	26,22,545	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)1 + (A)2	8	58,89,54,219	-	-	58,89,54,219	56.83	58,89,54,219	-	58,89,54,219	56.83	56.83	16,28,99,524	27.83	58,89,54,219	-	-	-	-
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. -N/A																			

**NOTES:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (3) The above format needs to disclose name of all holders holding more than 1% of total number of shares.
- (4) As per Clause 31 of the draft composite scheme of arrangement, upon the composite scheme of arrangement coming into effect in accordance with its terms, in addition to the existing promoter of PPL (i.e. Zuari Maroc Phosphates Private Limited) only the following persons, shall each be and deemed to be the "promoters" of PPL (i.e. the transferee company): Akshay Poddar, Shradha Agarwala, Jyotsna Poddar, Gaurav Agarwala, Zuari Agro Chemicals Limited, Adventz Finance Private Limited, Zuari Industries Limited and their affiliates (if any).
- (5) The above post-scheme shareholding of PPL is calculated after considering the transfer of identified shares before the merger Record Date as per Part III of the draft composite scheme of arrangement.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																			
Statement showing Post-Amalgamation shareholding pattern of Public shareholder																			
Category and name of the shareholders	No. of shareholders	No. of fully paid-up equity shares held	Party paid-up equity shared held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares					
							No. of voting rights				As a % of total shares held	No. of pledged or otherwise encumbered		As a % of total shares held	Shareholding (No. of shares) under				
							Class: Equity shares	Class others: NA	Total						Sub-Category I	Sub-Category II	Sub-Category III		
<b>1) Institutions (Domestic)</b>																			
(a) Mutual Funds	10	14,22,97,759	-	-	14,22,97,759	13.73	14,22,97,759	-	14,22,97,759	13.73	-	-	14,22,97,759	-	-	-	-	-	-
Hdfc Large And Mid Cap Fund																			
Mirae Asset Flexi Cap Fund	1	1,32,39,325	-	-	1,32,39,325	1.28	1,32,39,325	-	1,32,39,325	1.28	-	-	1,32,39,325	-	-	-	-	-	-
Dxp Small Cap Fund	1	1,21,85,044	-	-	1,21,85,044	1.18	1,21,85,044	-	1,21,85,044	1.18	-	-	1,21,85,044	-	-	-	-	-	-
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	1	2,92,99,855	-	-	2,92,99,855	2.83	2,92,99,855	-	2,92,99,855	2.83	-	-	2,92,99,855	-	-	-	-	-	-
SBI Multicap Fund	1	5,66,25,728	-	-	5,66,25,728	5.46	5,66,25,728	-	5,66,25,728	5.46	-	-	5,66,25,728	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Banks	216	3,98,842	-	-	3,98,842	0.04	3,98,842	-	3,98,842	0.04	-	-	3,98,842	-	-	-	-	-	-
(d) Insurance Companies	3	3,71,81,098	-	-	3,71,81,098	3.59	3,71,81,098	-	3,71,81,098	3.59	-	-	3,71,81,098	-	-	-	-	-	-
Life Insurance Corporation Of India																			
Provident / Pension Funds	1	3,48,99,520	-	-	3,48,99,520	3.37	3,48,99,520	-	3,48,99,520	3.37	-	-	3,48,99,520	-	-	-	-	-	-
Asset Reconstruction Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Financial Institutions	2	42,79,332	-	-	42,79,332	0.41	42,79,332	-	42,79,332	0.41	-	-	42,79,332	-	-	-	-	-	-
Rajasthan Global Securities Private Limited																			
Any Other (specify)	1	42,76,142	-	-	42,76,142	0.41	42,76,142	-	42,76,142	0.41	-	-	42,76,142	-	-	-	-	-	-
Sub-Total (B)(1)	231	18,41,57,031	-	-	18,41,57,031	17.77	18,41,57,031	-	18,41,57,031	17.77	-	-	18,41,57,031	-	-	-	-	-	-
<b>2) Institutions (Foreign)</b>																			
Foreign Direct Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors Category I	45	4,10,19,959	-	-	4,10,19,959	3.96	4,10,19,959	-	4,10,19,959	3.96	-	-	4,10,19,959	-	-	-	-	-	-
Goldman Sachs Funds - Goldman Sachs India Equity Portfolio																			
Foreign Portfolio Investors Category II	3	39,34,588	-	-	39,34,588	0.38	39,34,588	-	39,34,588	0.38	-	-	39,34,588	-	-	-	-	-	-
Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	48	4,49,54,547	-	-	4,49,54,547	4.34	4,49,54,547	-	4,49,54,547	4.34	-	-	4,49,54,547	-	-	-	-	-	-
Central Government/ State Government(s)/ President of India																			





Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

**Notes:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
- (5) Sub-categorization of shares under will be based on shareholding (no. of shares) under the following sub-categories
  - (i) Shareholders who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative on the board of the listed entity.
  - (ii) Shareholders who have entered into shareholder agreement with the listed entity.
  - (iii) Shareholders acting as persons in concert with promoters.
- (6) The above post-scheme shareholding of PPL is calculated on the basis of total shareholders of PPL and MCFL as on quarter ended December 2023. Upon merger, each shareholder of MCFL as on the Record Date would be issued equity shares of PPL in the ratio of 187 equity shares of PPL for every 100 equity shares held in MCFL. The fractional entitlement of each of the MCFL shareholders (if any) shall be sold in the market within 90 days of allotment of shares and distribution of cash to the MCFL shareholders shall take place only after sale of all the shares. Thus, the actual number of PPL shares to be issued to each of the MCFL shareholder as on the Record Date may vary due to the fractional entitlement. Further, this shareholding pattern does not take into account the shares under the ESOP scheme which may result in the additional 33,58,166 equity shares of PPL upon the exercise of the employee stock options issued by PPL.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")														
Statement showing Post-Amalgamation shareholding pattern of Non Promoter- Non Public shareholder.														
Category and name of the shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding in g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	
							No. of voting rights	Total % of Total voting rights	No. of shares underlying convertible securities (as a percentage of diluted share capital)					
							Class: Equity shares	Class others: NA	Total		No.	As a % of total shares held	No.	
1)	Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
2)	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.





<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>		
<b>Statement showing foreign ownership limits</b>		
	<b>Board approved limits %</b>	<b>Limits utilized %</b>
As on shareholding date	100.00	4.63
As on the end of previous 1st quarter	100.00	4.88
As on the end of previous 2nd quarter	100.00	4.61
As on the end of previous 3rd quarter	100.00	4.53
As on the end of previous 4th quarter	100.00	4.09



<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>			
<b>Pre Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Paradeep Phosphates Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 543530 / NSE - PARADEEP		
3	<b>Shareholding Pattern Filed under:</b> Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?	Yes	
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
6	Whether Company has equity shares with differential voting rights?		No
7	Whether the Listed Entity has any significant beneficial owner?		No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:-		



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																		
Pre-Anализation summary statement holding of specified securities																		
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form	Sub-categorization of shares				
							No. of shares underlying convertible securities (as a percentage of diluted share capital)				No.	As a % of total shares held		No.	As a % of total shares held	Sub-Category_I	Sub-Category_II	Sub-Category_III
							Class: Equity shares	Class others: NA	Total									
(A) Promoter & Promoter Group	1	45,69,42,507	-	-	45,69,42,507	55.85	-	-	55.85	16,28,99,524	35.65	-	45,69,42,507	-	-	-		
(B) Public	2,11,147	36,11,55,112	-	-	36,11,55,112	44.15	-	44.15	44.15	-	-	36,11,55,112	-	-	-			
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Total</b>	<b>2,11,148</b>	<b>81,80,97,619</b>	<b>-</b>	<b>-</b>	<b>81,80,97,619</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>	<b>16,28,99,524</b>	<b>19.91</b>	<b>-</b>	<b>81,80,97,619</b>	<b>-</b>	<b>-</b>	<b>-</b>		

Note: Total equity shares of 456,942,507 are held by Zuari Maroc Phosphates Private Limited (Promoter) includes 600 equity shares are held by ZMPPL along with joint holders.









PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																	
Statement showing Pre-Amalgamation shareholding pattern of Non Promoter- Non Public shareholder																	
Category and name of the shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding in g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form		
							Class: Equity shares	Class others: NA	Total				Total as a % of Total voting rights	No.		As a % of total shares held	
1)	Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-				-	-	-			-		-
2)	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date	100.00	5.27
As on the end of previous 1st quarter	100.00	5.76
As on the end of previous 2nd quarter	100.00	5.49
As on the end of previous 3rd quarter	100.00	5.37
As on the end of previous 4th quarter	100.00	5.01





<b>PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")</b>			
<b>Post Amalgamation Shareholding Pattern</b>			
<b>Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>			
1	<b>Name of Listed Entity:</b> Paradeep Phosphates Limited		
2	<b>Scrip Code/ Name of Scrip/ Class of Security:</b> BSE - 543530 / NSE - PARADEEP		
3	<b>Shareholding Pattern Filed under:</b> Reg. 31(1)(c)		
4	<b>Declaration:</b> The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
	1	Whether the Listed Entity has issued any partly paid up shares?	No
	2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	No
	3	Whether the Listed Entity has any shares against which depository receipts are issued?	No
	4	Whether the Listed Entity has any shares in locked-in?	Yes
	5	Whether any shares held by promoters are pledged or otherwise encumbered?	No
	6	Whether Company has equity shares with differential voting rights?	No
	7	Whether the Listed Entity has any significant beneficial owner?	No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, no. of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
5	The tabular format for disclosure of holding of specified securities is as follows:-		



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																	
Post Amalgamation summary statement holding of specified securities																	
Category of shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholdin g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares			
							Class: Equity shares	Class others: NA	Total					No. of shares underlying convertible securities (as a percentage of diluted share capital)	No. of shares held	As a % of total shares held	Sub-Category _I
(A) Promoter & Promoter Group	8	58,89,54,219	-	-	58,89,54,219	56.65	-	-	56.65	16,28,99,524	-	58,89,54,219	-	-	-	-	-
(B) Public	2,64,394	45,07,66,726	-	-	45,07,66,726	43.35	-	-	43.35	-	-	45,07,66,726	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1) Shares underlying DRS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,64,402</b>	<b>1,03,97,20,945</b>	<b>-</b>	<b>-</b>	<b>1,03,97,20,945</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>16,28,99,524</b>	<b>15.67</b>	<b>1,03,97,20,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Total equity shares of 530257727 are held by Zuari Maroon Phosphates Private Limited (Promoter) includes 600 equity shares are held by ZMPPPL along with joint holders.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")																			
Statement showing Post-Amalgamation shareholding pattern of Promoter and Promoter Group																			
Category and name of the shareholders	Entity type i.e. promoter OR promoter group entity (except promoter)	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding g % calculated as per SCRR, 1957	No. of voting rights			Total as a % of Total voting rights	No. of shares underlying convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered	No. of equity shares held in dematerialized form	Sub-categorization of shares		
								Class: Equity shares	Class others: NA	Total							No.	As a % of total shares held	As a % of total shares held
1)	Indian																		
(a)	Individuals/Hindu undivided Family	3	9,48,374	-	-	9,48,374	0.09	9,48,374	-	9,48,374	0.09	0.09	-	-	9,48,374	-	-	-	-
	Shradha Agarwala	1	3,74,000	-	-	3,74,000	0.04	3,74,000	-	3,74,000	0.04	0.04	-	-	3,74,000	-	-	-	-
	Jyotsna Poddar	1	2,93,874	-	-	2,93,874	0.03	2,93,874	-	2,93,874	0.03	0.03	-	-	2,93,874	-	-	-	-
	Gaurav Agarwala	1	2,80,500	-	-	2,80,500	0.03	2,80,500	-	2,80,500	0.03	0.03	-	-	2,80,500	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	4	58,53,83,300	-	-	58,53,83,300	56.30	58,53,83,300	-	58,53,83,300	56.30	56.30	16,28,99,524	27.83	58,53,83,300	-	-	-	-
(d)	Zuari Maroc Phosphates Private Limited	1	53,02,57,727	-	-	53,02,57,727	51.00	53,02,57,727	-	53,02,57,727	51.00	51.00	16,28,99,524	30.72	53,02,57,727	-	-	-	-
	Zuari Agro Chemicals Limited	1	4,64,17,816	-	-	4,64,17,816	4.46	4,64,17,816	-	4,64,17,816	4.46	4.46	-	-	4,64,17,816	-	-	-	-
	Adventz Finance Private Limited	1	81,35,175	-	-	81,35,175	0.78	81,35,175	-	81,35,175	0.78	0.78	-	-	81,35,175	-	-	-	-
	Zuari Industries Limited	1	5,72,582	-	-	5,72,582	0.06	5,72,582	-	5,72,582	0.06	0.06	-	-	5,72,582	-	-	-	-
	Sub-Total (A)[1]	7	58,63,31,674	-	-	58,63,31,674	56.39	58,63,31,674	-	58,63,31,674	56.39	56.39	16,28,99,524	27.83	58,63,31,674	-	-	-	-
2)	Foreign																		
	Individuals (Non-Resident Individuals/ Foreign Individuals)	1	26,22,545	-	-	26,22,545	0.25	26,22,545	-	26,22,545	0.25	0.25	-	-	26,22,545	-	-	-	-
(a)	Alkshay Poddar	1	26,22,545	-	-	26,22,545	0.25	26,22,545	-	26,22,545	0.25	0.25	-	-	26,22,545	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	1	26,22,545	-	-	26,22,545	0	26,22,545	-	26,22,545	0	0.25	-	-	26,22,545	-	-	-	-
	Sub-total (A)[2]	1	26,22,545	-	-	26,22,545	0	26,22,545	-	26,22,545	0	0.25	-	-	26,22,545	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)-(A1)-(A2)	8	58,89,54,219	-	-	58,89,54,219	56.65	58,89,54,219	-	58,89,54,219	56.65	56.65	16,28,99,524	27.83	58,89,54,219	-	-	-	-
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. -N/A																			

**NOTE:**

- PAN would not be displayed on website of Stock Exchange(s).
- The term "Encumbrance" has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- The above format needs to disclose name of all holders holding more than 1% of total number of shares.
- As per Clause 31 of the draft composite scheme of arrangement, upon the composite scheme of arrangement coming into effect in accordance with its terms, in addition to the existing promoter of PPL (i.e., Zuari Maroc Phosphates Private Limited) only the following persons, shall each be and deemed to be the "promoters" of PPL (i.e., the transferee company): Akshay Poddar, Shradha Agarwala, Jyotsna Poddar, Gaurav Agarwala, Zuari Agro Chemicals Limited, Adventz Finance Private Limited, Zuari Industries Limited and their affiliates (if any).
- The above post-scheme shareholding of PPL is calculated after considering the transfer of identified shares before the merger Record Date as per Part III of the draft composite scheme of arrangement.







Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (XIII) is not applicable in the above format.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.
- (4) Categorization and disclosure of each shareholder category should be carried out in the order prescribed in the above format. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the above format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.
- (5) Sub-categorization of shares under will be based on shareholding (no. of shares) under the following sub-categories:
  - (i) Shareholders who are represented by a nominee Director on the board of the listed entity or have the right to nominate a representative (i.e. Director) on the board of the listed entity.
  - (ii) Shareholders who have entered into Shareholder agreement with the listed entity.
  - (iii) Shareholders acting as persons in concert with promoters.
- (6) The above post-scheme shareholding of PPL is calculated on the basis of total shareholders of PPL and MCFL as on quarter ended December 2023. Upon merger, each shareholder of MCFL as on the Record Date would be issued equity shares of PPL in the ratio of 187 equity shares of PPL for every 100 equity shares held in MCFL. The fractional entitlement of each of the MCFL shareholders (if any) shall be sold in the market within 90 days of allotment of shares and distribution of cash to the MCFL shareholders shall take place only after sale of all the shares. Thus, the actual number of PPL shares to be issued to each of the MCFL shareholder as on the Record Date may vary due to the fractional entitlement. Further, this shareholding pattern does not take into account the shares under the ESOP scheme which may result in the additional 33,58,166 equity shares of PPL upon the exercise of the employee stock options issued by PPL.



PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")														
Statement showing Post-Amalgamation shareholding pattern of Non Promoter- Non Public shareholder.														
Category and name of the shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding in g % calculated as per SCRR, 1957	Number of voting rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares	No. of shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
							No. of voting rights	Total % of Total voting rights	No. of shares underlying convertible securities (as a percentage of diluted share capital)			No.	As a % of total shares held	
							Class: Equity shares	Class others: NA	Total		No.	As a % of total shares held	No.	As a % of total shares held
1) Custodian/DR Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2) Total Non-Promoter-Non Public Shareholding (C)= (C1)+(C2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.



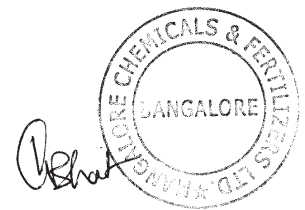
PARADEEP PHOSPHATES LIMITED ("PPL" or "Transferee Company")		
Statement showing foreign ownership limits		
	Board approved limits %	Limits utilized %
As on shareholding date	100.00	4.62
As on the end of previous 1st quarter	100.00	4.86
As on the end of previous 2nd quarter	100.00	4.60
As on the end of previous 3rd quarter	100.00	4.51
As on the end of previous 4th quarter	100.00	4.07





**Pre and post amalgamation shareholding pattern in Word Format for all companies involved in the scheme**

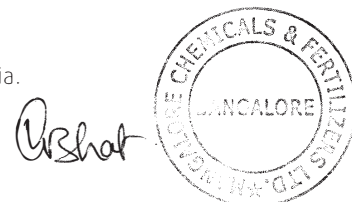
		Transferor Company			Transferee company				
		Mangalore Chemicals & Fertilizers Limited			Paradeep Phosphates Limited				
		Pre-arrangement			Pre-arrangement		Post-arrangement		
Sr	Description	Name of Shareholder	No.of shares	%	Name of Shareholder	No.of shares	%	No.of shares	%
(A)	Shareholding of Promoter and Promoter Group								
1	Indian	Name of Promoter			Name of Promoter				
	Individuals/ Hindu Undivided Family	Shradha Agarwala	200000	0.17	Shradha Agarwala	-	-	374000	0.04
		Jyotsna Poddar	157152	0.13	Jyotsna Poddar	-	-	293874	0.03
		Gaurav Agarwala	150000	0.13	Gaurav Agarwala	-	-	280500	0.03
(b)	Central Government/ State Government(s)								
(c)	Bodies Corporate	Zuari Agro Chemicals Limited	64028362	54.03	Zuari Maroc Phosphates Private Limited	456942507	56.08	530257727	51.17
		Adventz Finance Private Limited	4350361	3.67	Zuari Agro Chemicals Limited	-	-	46417816	4.48
		Mcdowell Holdings Limited	1257186	1.06	Adventz Finance Private Limited	-	-	8135175	0.78





Mangalore Chemicals  
& Fertilizers Limited

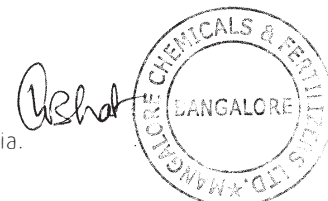
		Zuari Industries Limited	306194	0.26	Zuari Industries Limited	-	-	572582	0.06
		United Breweries Holdings Limited	0	0					
		Kingfisher Finvest India Limited	0	0					
(d)	Financial Institutions/ Banks								
(e)	Any Others								
	<b>Sub Total(A)(1)</b>		<b>70449255</b>	<b>59.44</b>		<b>456942507</b>	<b>56.08</b>	<b>586331674</b>	<b>56.58</b>
<b>2</b>	<b>Foreign</b>								
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	Akshay Poddar	1402431	1.18	Akshay Poddar	-	-	2622545	0.25
(b)	Bodies Corporate								
(c)	Institutions								
(d)	Any Others								
	<b>Sub Total(A)(2)</b>		<b>1402431</b>	<b>1.18</b>				<b>2622545</b>	<b>0.25</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>		<b>71851686</b>	<b>60.63</b>		<b>456942507</b>	<b>56.08</b>	<b>588954219</b>	<b>56.83</b>
<b>(B)</b>	<b>Public shareholding</b>								





Mangalore Chemicals  
& Fertilizers Limited

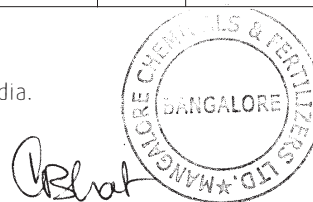
1	Institutions								
(a)	Mutual Funds/ UTI		10000	0.01		142279058	17.46	142297759	13.73
(b)	Financial Institutions Banks		213285	0.18				398842	0.04
(c)	Central Government/ State Government(s)	State Government / Governor	1051400	0.89	State Government / Governor			1966118	0.19
(d)	Venture Capital Funds								
(e)	Insurance Companies		400	0.00		37180350	4.56	37181098	3.59
(f)	Foreign Institutional Investors								
(g)	Foreign Venture Capital Investors								
(h)	Any Other	Other Financial Institutions	2288413	1.93	Other Financial Institutions			4279332	0.41
		Foreign Portfolio Investors Category I	1902354	1.61	Foreign Portfolio Investors Category I	37462558	4.60	41019959	3.96
					Foreign Portfolio Investors Category II	3934588	0.48	3934588	0.38
	<b>Sub-Total (B)(1)</b>		<b>5465852</b>	<b>4.62</b>		<b>220856554</b>	<b>27.11</b>	<b>231077696</b>	<b>22.30</b>
<b>2</b>	<b>Non-institutions</b>								
(a)	Bodies Corporate		8186880	6.91		7741437	0.95	25401839	2.45
(b)	Individuals								





Mangalore Chemicals  
& Fertilizers Limited

I	i. Individual shareholders holding nominal share capital up to Rs 2 lakh		17266477	14.57		91260540	11.20	123548851	11.92
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.		10411400	8.78		30270320	3.72	49739638	4.80
(c)	<b>Any Other</b>	Directors and their relatives (excluding independent directors and nominee directors)	1500	0.00	Directors and their relatives (excluding independent directors and nominee directors)			2805	0.00
		Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	2936493	2.48	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs			5491241	0.53
		Non Resident Indians (NRIs)	1025896	0.87	Non Resident Indians (NRIs)	2601743	0.32	4520168	0.44
		Key Managerial Personnel	250	0.00	Key Managerial Personnel	1550	0.00	2020	0.00
		Others	50	0.00	Clearing Members	1375	0.00	1889	0.00
		Trusts	338	0.00	HUF	4737774	0.58	7275182	0.70
		HUF	1356903	1.14	LLP	325653	0.04	325653	0.03
		Director or Director's Relatives	11150	0.01	Director or Director's Relatives			20850	0.00
		Clearing Members	275	0.00	Trusts			635	0.00
						Others			93





Mangalore Chemicals  
& Fertilizers Limited

	<b>Sub-Total (B)(2)</b>		<b>41197612</b>	<b>34.76</b>		<b>136940392</b>	<b>16.81</b>	<b>216330864</b>	<b>20.87</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>		<b>46663464</b>	<b>39.37</b>		<b>357796946</b>	<b>43.92</b>	<b>447408560</b>	<b>43.17</b>
	<b>TOTAL (A)+(B)</b>		<b>118515150</b>	<b>100.00</b>		<b>814739453</b>	<b>100.00</b>	<b>1036362779</b>	<b>100.00</b>
<b>(C)</b>	Shares held by Custodians and against which DRs have been issued								
	<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>118515150</b>	<b>100.00</b>		<b>814739453</b>	<b>100.00</b>	<b>1036362779</b>	<b>100.00</b>

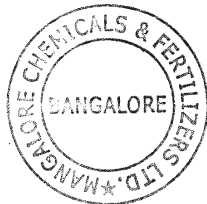
**Note:**

As per Clause 31 of the draft composite scheme of arrangement, upon the composite scheme of arrangement coming into effect in accordance with its terms, in addition to the existing promoter of PPL (i.e., Zuari Maroc Phosphates Private Limited), only the following persons, shall each be and deemed to be the "promoters" of PPL (i.e., the transferee company): Akshay Poddar, Shradha Agarwala, Jyotsna Poddar, Gaurav Agarwala, Zuari Agro Chemicals Limited, Adventz Finance Private Limited, Zuari Industries Limited and their affiliates (if any).

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACSI6651  
Place: Bangalore  
Date: February 24, 2024





Mangalore Chemicals  
& Fertilizers Limited

Annexure 8

**No. of Shareholders Pre and Post Amalgamation of Mangalore Chemicals & Fertilizers Limited (Transferor Company)**

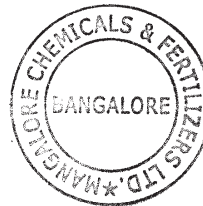
Category	Pre	Post
A) Promoter	8	-
B) Public	53,246	-
C) <b>Non-Promoter Non-Public</b>		
C1) Shares underlying DR's	-	-
C2) Shares held by Employee Trust	-	-
<b>Total</b>	<b>53,254</b>	<b>-</b>

**No. of Shareholders Pre and Post Amalgamation of Paradeep Phosphates Limited (Transferee Company)**

Category	Pre	Post
A) Promoter	1	8
B) Public	2,11,147	2,64,394
C) <b>Non-Promoter Non-Public</b>		
C1) Shares underlying DR's	-	-
C2) Shares held by Employee Trust	-	-
<b>Total</b>	<b>2,11,148</b>	<b>2,64,402</b>

Yours sincerely,  
For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS16651  
Place: Bangalore  
Date: February 24, 2024





Mangalore Chemicals  
& Fertilizers Limited

## Annexure 9

The financial details of the Transferor Company for the previous 3 years as per the audited statement of accounts:

Name of the Company: **Mangalore Chemicals & Fertilizers Limited**

**Standalone basis:**

(Rs. in Crores)

Particulars	As per the Unaudited Financial Results as on December 31, 2023	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
		2022-23	2021-22	2020-21
Equity Paid up Capital	118.55	118.55	118.55	118.55
Reserves and surplus	783.63*	684.64	564.52	488.71
Carry forward losses	-	-	-	-
Net Worth	902.18* (This includes revaluation reserve amounting to INR 57.48 crores)	803.19 (This includes revaluation reserve amounting to INR 57.62 crores)	683.07 (This includes revaluation reserve amounting to INR 58.52 crores)	607.26 (This includes revaluation reserve amounting to INR 58.85 crores)
Miscellaneous Expenditure	-	-	-	-
Secured Loans	1,357.67**	1,357.67	1,311.57	844.54
Unsecured Loans	-	-	30.04	17.74
Fixed Assets (Note 1)	1,088.97*	1,073.79	870.33	656.06
Income from Operations	3,009.05	3,641.52	2,895.58	2,144.02
Total Income	3,037.47	3,672.17	2,919.85	2,170.73
Total Expenditure	2,804.08	3,496.14	2,785.19	2,065.16
Profit before Tax	233.40	176.03	134.66	105.56
Profit after Tax	149.97	134.66	87.86	67.09
Cash profit (Note 2)	286.39	235.70	185.21	155.87





Mangalore Chemicals  
& Fertilizers Limited

EPS	12.65	11.36	7.41	5.66
Book value	76.12*	67.77	57.63	51.24

\* As at September 30, 2023

\*\* As at March 31, 2023

**Note –**

1. Fixed Assets comprises of Property, plant & equipment and Capital work-in-progress.
2. Cash profit = Profit before tax plus depreciation.
3. Mangalore Chemicals & Fertilizers Limited does not have any subsidiary, associate or joint venture. Accordingly, preparation of consolidated financial statement is not applicable.

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS16651

Place: Bangalore

Date: February 24, 2024







**MANGALORE CHEMICALS AND FERTILIZERS LIMITED**

Registered Office : Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001  
 Phone: 080-45855599, Fax: 080-45855588 CIN: L24123KA1966PLC002036  
 Email: shares.mcf1@adventz.com Website: www.mangalorechemicals.com

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023**

(Rupees in Lakhs)

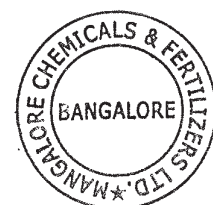
Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current half year ended	Year to date figures for previous half year ended	Previous year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 INCOME</b>						
(a) Revenue from contracts with customers (Refer Note 4 and 5)	141,040.77	95,803.04	28,338.55	236,843.81	130,467.36	364,152.40
(b) Other income	1,045.06	736.81	639.36	1,781.87	1,228.16	3,064.62
<b>Total income</b>	<b>142,085.83</b>	<b>96,539.85</b>	<b>28,977.91</b>	<b>238,625.68</b>	<b>131,695.52</b>	<b>367,217.02</b>
<b>2 EXPENSES</b>						
(a) Cost of materials consumed	50,011.22	54,502.09	24,337.63	104,513.31	82,692.37	199,625.52
(b) Purchases of traded goods	1,516.95	44,852.94	2,033.45	46,369.89	2,119.22	25,813.56
(c) Changes in inventories of finished goods, traded goods and work-in-progress	46,333.90	(42,937.44)	(4,053.24)	3,396.46	10,106.78	11,842.37
(d) Employee benefits expense	1,645.76	1,831.97	1,876.34	3,477.73	3,718.34	6,917.18
(e) Finance costs	2,818.83	3,034.23	2,420.00	5,853.06	4,367.72	10,437.76
(f) Depreciation and amortisation expense	1,748.55	1,720.82	1,275.82	3,469.37	2,530.24	5,967.50
(g) Other expenses	27,385.36	25,922.88	6,035.47	53,308.24	27,428.10	89,010.54
<b>Total expenses</b>	<b>131,460.57</b>	<b>88,927.49</b>	<b>33,925.47</b>	<b>220,388.06</b>	<b>132,962.77</b>	<b>349,614.43</b>
<b>3 Profit/(Loss) before tax (1-2)</b>	<b>10,625.26</b>	<b>7,612.36</b>	<b>(4,947.56)</b>	<b>18,237.62</b>	<b>(1,267.25)</b>	<b>17,602.59</b>
<b>4 Tax expense</b>						
(a) Current tax / Minimum Alternate Tax	1,862.00	1,312.00	(656.00)	3,174.00	-	3,077.00
(b) Deferred tax charge / (credit)	1,992.33	1,371.54	(1,072.77)	3,363.87	(328.60)	1,060.08
<b>Total tax expense</b>	<b>3,854.33</b>	<b>2,683.54</b>	<b>(1,728.77)</b>	<b>6,537.87</b>	<b>(328.60)</b>	<b>4,137.08</b>
<b>5 Profit/(Loss) for the period/year (3-4)</b>	<b>6,770.93</b>	<b>4,928.82</b>	<b>(3,218.79)</b>	<b>11,699.75</b>	<b>(938.65)</b>	<b>13,465.51</b>
<b>6 Other comprehensive income/(loss)</b>						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plan	18.94	(53.60)	(39.97)	(34.66)	6.31	(48.42)
Income tax effect on above	(6.62)	18.73	13.97	12.11	(2.20)	16.92
<b>Total other comprehensive income/(loss)</b>	<b>12.32</b>	<b>(34.87)</b>	<b>(26.00)</b>	<b>(22.55)</b>	<b>4.11</b>	<b>(31.50)</b>
<b>7 Total comprehensive income/(loss) (5+6)</b>	<b>6,783.25</b>	<b>4,893.95</b>	<b>(3,244.79)</b>	<b>11,677.20</b>	<b>(934.54)</b>	<b>13,434.01</b>
<b>8 Paid-up equity share capital (Face value of INR 10 per share)</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>
<b>9 Other equity</b>						<b>68,463.95</b>
<b>10 Earnings per equity share</b>						
(Face value of INR 10/- each) (not annualised for quarters /periods):						
(a) Basic (in INR)	5.71	4.16	(2.71)	9.87	(0.79)	11.36
(b) Diluted (in INR)	5.71	4.16	(2.71)	9.87	(0.79)	11.36

See accompanying notes to the unaudited financial results



**Statement of Assets and Liabilities**
*(Rupees in Lakhs)*

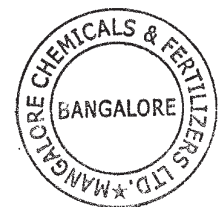
	As at	As at
	September 30, 2023	March 31, 2023
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	103,287.36	105,970.52
(b) Capital work-in-progress	5,609.93	1,408.49
(c) Right-of-use assets	1,603.70	1,620.84
(d) Intangible assets	100.19	107.24
(e) Financial assets		
(i) Others	606.53	594.71
(f) Income tax assets (net)	144.08	144.08
(g) Other non-current assets	1,182.43	627.64
	<b>112,534.22</b>	<b>110,473.52</b>
<b>Current assets</b>		
(a) Inventories	15,114.10	24,113.96
(b) Financial assets		
(i) Investments	0.10	0.10
(ii) Trade receivables	18,462.03	75,724.26
(iii) Cash and cash equivalents	89,828.33	32,979.95
(iv) Other bank balances	6,026.56	3,605.39
(v) Others	5,662.46	5,982.83
(c) Other current assets	14,191.42	13,034.94
	<b>149,285.00</b>	<b>155,441.43</b>
<b>Total assets</b>	<b>261,819.22</b>	<b>265,914.95</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	11,854.87	11,854.87
(b) Other equity	78,363.37	68,463.95
	<b>90,218.24</b>	<b>80,318.82</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	32,776.55	35,667.55
(ia) Lease liabilities	1,794.17	1,886.60
(b) Provisions	1,165.04	1,180.60
(c) Deferred tax liabilities (net)	9,501.62	6,149.86
	<b>45,237.38</b>	<b>44,884.61</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	63,304.19	100,099.37
(ia) Lease liabilities	52.88	36.07
(ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	1,730.55	4,582.66
b) total outstanding dues of creditors other than micro enterprises and small enterprises	31,207.12	19,674.70
(iii) Others	25,377.06	12,820.50
(b) Liabilities for current tax (net)	1,740.53	439.33
(c) Other current liabilities	1,762.21	1,941.22
(d) Provisions	1,189.06	1,117.67
	<b>126,363.60</b>	<b>140,711.52</b>
<b>Total equity and liabilities</b>	<b>261,819.22</b>	<b>265,914.95</b>



Statement of Cash Flows

(Rupees in Lakhs)

	For the half year ended	For the half year ended
	September 30, 2023	September 30, 2022
	Unaudited	Unaudited
<b>A Operating activities</b>		
Profit (loss) before tax	18,237.62	(1,267.25)
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation expense	3,469.37	2,530.24
Net loss on disposal of property, plant and equipment	464.21	164.01
Provision for impairment of advances	941.44	-
Fair value loss (gain) on financial instruments at fair value through profit or loss	(405.11)	(1,848.86)
Unrealised foreign exchange differences (net)	405.01	809.99
Finance costs	5,853.06	4,367.72
Interest income	(1,611.75)	(1,002.06)
Liabilities no longer required written back	(68.07)	(107.09)
<b>Operating profits before working capital changes</b>	<b>27,285.78</b>	<b>3,646.70</b>
<b>Working capital changes:</b>		
(Increase)/Decrease in Inventories	8,999.86	17,006.90
(Increase)/Decrease in Trade receivables	57,262.23	(3,842.85)
(Increase)/Decrease in Other financial assets	1,038.95	0.93
(Increase)/Decrease in Other assets	(2,077.70)	(3,014.71)
(Decrease)/increase in Trade payables	8,595.53	(20,538.14)
(Decrease)/increase in Other financial liabilities	9,632.81	(2,952.00)
(Decrease)/increase in Other current liabilities and provisions	(89.78)	34.60
	<b>83,361.90</b>	<b>(13,305.27)</b>
<b>Cash generated from/ (used in) operations</b>	<b>110,647.68</b>	<b>(9,658.57)</b>
Income tax paid	(1,872.80)	(2,316.51)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>108,774.88</b>	<b>(11,975.08)</b>
<b>B Investing activities</b>		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(5,010.19)	(27,121.52)
Proceeds from sale of property, plant and equipment	(108.21)	204.76
Investments in bank deposits (having original maturity of more than three months)	(1,527.05)	(316.80)
Redemption/maturity of bank deposits (having original maturity of more than three months)	880.21	3,486.54
Interest received	1,056.80	1,030.57
<b>Net cash flow (used in) investing activities (B)</b>	<b>(4,708.44)</b>	<b>(22,716.45)</b>
<b>C Financing activities</b>		
Proceeds from long-term borrowings	44.14	15,848.44
Repayment of long-term borrowings	(3,962.00)	(3,424.68)
Payment of principal portion of lease liabilities	(215.38)	(141.83)
Proceeds from/(repayment of) short-term borrowings (net)	(36,088.55)	(6,374.15)
Finance cost paid	(5,218.49)	(4,192.03)
Dividend paid to equity shareholders	(1,777.78)	(1,422.18)
<b>Net cash flow (used in)/ from financing activities (C)</b>	<b>(47,218.06)</b>	<b>293.57</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>56,848.38</b>	<b>(34,397.96)</b>
Cash and cash equivalents at the beginning of the year	32,979.95	48,207.20
<b>Cash and cash equivalents at the end of the year</b>	<b>89,828.33</b>	<b>13,809.24</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.60	2.02
Balances with banks on current accounts	13,451.73	3,182.22
Balances with banks on deposit accounts with original maturity of three months or less	76,375.00	10,625.00
<b>Total cash and cash equivalents</b>	<b>89,828.33</b>	<b>13,809.24</b>



Notes:

1. The unaudited financial results for the quarter ended September 30, 2023 and year to date from April 1, 2023 to September 30, 2023 of Mangalore Chemicals and Fertilizers Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 30, 2023 and has been subjected to limited review by auditors.
2. The unaudited financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
3. The Company is engaged in the manufacture, sale and trading of fertilisers which constitutes a single operating segment as per Ind AS 108 and hence separate segment disclosures have not been furnished.
4. The urea concession income and subsidy income for Phosphatic fertilizers under Nutrient Based Subsidy Scheme for the period / year has been recognized based on management's estimate, pending finalization by the Government of India ("GOI").
5. The Company had during the year ended March 31, 2021 recognised urea subsidy income of INR 2,914 Lakhs without benchmarking its cost of production using naphtha with that of gas-based urea manufacturing units recently converted to natural gas, as notified by the Department of Fertilizers [DoF] for subsidy income computation, against which the Company had filed a writ petition against the DoF before the Hon'ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC, the management, based on legal opinion and considering the fact that the energy cost is always a pass through in subsidy computation, believes that artificial benchmarking is arbitrary and discriminatory and is confident of realisation of the aforesaid subsidy income.
6. The Company has shutdown the Ammonia and Urea plants in the last week of September 23 for planned maintenance and the start-up is under progress.
7. The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final Rules/ interpretation have not yet been notified / issued. The Company will assess the impact of the Code and recognize the same, if any, once the Code comes into effect.
8. Previous year / period's figures have been regrouped / rearranged wherever considered necessary, to conform with current period's classification.

For and on behalf of the Board of Directors



Nitin M Kantak  
Whole Time Director

Date: October 30, 2023



# PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

## Independent Auditor's Review Report on review of Unaudited Financial Results

### To the Board of Directors of Mangalore Chemicals & Fertilizers Limited

We have reviewed the accompanying Statement of Unaudited Financial results of Mangalore Chemicals & Fertilizers Limited ("the company") for the quarter and period ended 30<sup>th</sup> Sep 2023, being submitted by the company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015, as amended.

### Management's Responsibility

The Statement, which is the responsibility of the management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IndAS-34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India.

### Auditor's Responsibility

Our responsibility is to issue a report on the Statement based on our review. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

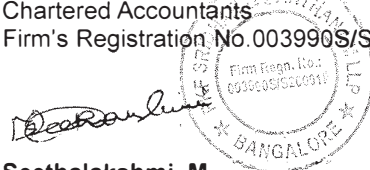
### Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles of the applicable Accounting Standards and other recognized practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

### Emphasis of Matter

We draw attention to Note no 5, which states that the Company had recognized urea subsidy income of Rs. 2914 lakhs in Financial Year ended March 31, 2021, considering that benchmarking of its cost of production of urea using Naphtha with that of gas-based urea manufacturing units is arbitrary and for which the Company had already filed a writ petition against the Department of Fertilizers before Hon'ble High court of Delhi. Based on legal opinion obtained, the management believes that the criteria for recognition of subsidy revenue is met. Our conclusion is not modified in respect of this matter.

For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No.003990S/S200018



Seethalakshmi. M  
Partner

Membership No.208545

ICAI UDIN: 23208545 RC, VAOV 4686

Place: Bangalore  
Date: 30<sup>th</sup> Oct 2023



**MANGALORE CHEMICALS AND FERTILIZERS LIMITED**

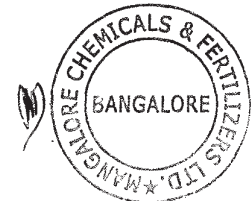
Registered Office : Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001  
 Phone: 080-45855599, Fax: 080-45855588 CIN: L24123KA1966PLC002036  
 Email: shares.mcf@adventz.com Website: www.mangalorechemicals.com

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**

(Rupees in Lakhs)

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous period ended	Previous year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 INCOME</b>						
(a) Revenue from contracts with customers (Refer Note 4 and 5)	64,060.72	1,41,040.77	1,17,323.52	3,00,904.53	2,47,790.88	3,64,152.40
(b) Other income	1,061.04	1,045.06	700.22	2,842.91	1,928.38	3,064.62
<b>Total income</b>	<b>65,121.76</b>	<b>1,42,085.83</b>	<b>1,18,023.74</b>	<b>3,03,747.44</b>	<b>2,49,719.26</b>	<b>3,67,217.02</b>
<b>2 EXPENSES</b>						
(a) Cost of materials consumed	36,280.56	50,011.22	64,152.55	1,40,793.87	1,46,844.92	1,99,625.52
(b) Purchases of traded goods	332.07	1,516.95	7,303.09	46,701.96	9,422.31	25,813.56
(c) Changes in inventories of finished goods, traded goods and work-in-progress	(3,011.14)	46,333.90	(3,113.71)	385.32	6,993.07	11,842.37
(d) Employee benefits expense	1,711.76	1,645.76	1,637.64	5,189.49	5,355.98	6,917.18
(e) Finance costs	2,314.52	2,818.83	3,323.70	8,167.58	7,364.79	10,437.76
(f) Depreciation and amortisation expense	1,830.03	1,748.55	1,748.11	5,299.40	4,278.35	5,967.50
(g) Other expenses	20,561.82	27,385.36	33,271.30	73,870.06	61,026.03	89,010.54
<b>Total expenses</b>	<b>60,019.62</b>	<b>1,31,460.57</b>	<b>1,08,322.68</b>	<b>2,80,407.68</b>	<b>2,41,285.45</b>	<b>3,49,614.43</b>
<b>3 Profit/(Loss) before tax (1-2)</b>	<b>5,102.14</b>	<b>10,625.26</b>	<b>9,701.06</b>	<b>23,339.76</b>	<b>8,433.81</b>	<b>17,602.59</b>
<b>4 Tax expense</b>						
(a) Current tax / Minimum Alternate Tax	901.00	1,862.00	1,469.00	4,075.00	1,469.00	3,077.00
(b) Deferred tax charge / (credit)	903.43	1,992.33	615.51	4,267.30	286.91	1,060.08
<b>Total tax expense</b>	<b>1,804.43</b>	<b>3,854.33</b>	<b>2,084.51</b>	<b>8,342.30</b>	<b>1,755.91</b>	<b>4,137.08</b>
<b>5 Profit/(Loss) for the period/year (3-4)</b>	<b>3,297.71</b>	<b>6,770.93</b>	<b>7,616.55</b>	<b>14,997.46</b>	<b>6,677.90</b>	<b>13,465.51</b>
<b>6 Other comprehensive income/(loss)</b>						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plan	(12.84)	18.94	(10.44)	(47.50)	(4.13)	(48.42)
Income tax effect on above	4.49	(6.62)	3.64	16.60	1.44	16.92
<b>Total other comprehensive income/(loss)</b>	<b>(8.35)</b>	<b>12.32</b>	<b>(6.80)</b>	<b>(30.90)</b>	<b>(2.69)</b>	<b>(31.50)</b>
<b>7 Total comprehensive income/(loss) (5+6)</b>	<b>3,289.36</b>	<b>6,783.25</b>	<b>7,609.75</b>	<b>14,966.56</b>	<b>6,675.21</b>	<b>13,434.01</b>
<b>8 Paid-up equity share capital (Face value of INR 10 per share)</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>
<b>9 Other equity</b>						<b>68,463.95</b>
<b>10 Earnings per equity share</b>						
(Face value of INR 10/- each) (not annualised for quarters /periods):						
(a) Basic (in INR)	2.78	5.71	6.42	12.65	5.63	11.36
(b) Diluted (in INR)	2.78	5.71	6.42	12.65	5.63	11.36

See accompanying notes to the unaudited financial results



Notes:

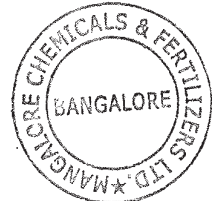
1. The unaudited financial results for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023 of Mangalore Chemicals and Fertilizers Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 02, 2024 and has been subjected to limited review by auditors.
2. The unaudited financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
3. The Company is engaged in the manufacture, sale and trading of fertilisers which constitutes a single operating segment as per Ind AS 108 and hence separate segment disclosures have not been furnished.
4. The urea concession income and subsidy income for Phosphatic fertilizers under Nutrient Based Subsidy Scheme for the period / year has been recognized based on management's estimate, pending finalization by the Government of India ('GOI').
5. The Company had during the year ended March 31, 2021 recognised urea subsidy income of INR 2,914 Lakhs without benchmarking its cost of production using naphtha with that of gas-based urea manufacturing units recently converted to natural gas, as notified by the Department of Fertilizers [DoF] for subsidy income computation, against which the Company had filed a writ petition against the DoF before the Hon'ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC, the management, based on legal opinion and considering the fact that the energy cost is always a pass through in subsidy computation, believes that artificial benchmarking is arbitrary and discriminatory and is confident of realisation of the aforesaid subsidy income.
6. The Company has resumed production of Ammonia and Urea on November 02, 2023 after planned shutdown in the last week of September 2023.
7. The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final Rules/ interpretation have not yet been notified / issued. The Company will assess the impact of the Code and recognize the same, if any, once the Code comes into effect.
8. Previous year / period's figures have been regrouped / rearranged wherever considered necessary, to conform with current period's classification.

For and on behalf of the Board of Directors



Nitin M Kantak  
Whole Time Director

Date: February 02, 2024





# PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

## Independent Auditor's Review Report on review of Unaudited Financial Results

### To the Board of Directors of Mangalore Chemicals & Fertilizers Limited

We have reviewed the accompanying Statement of Unaudited Financial results of Mangalore Chemicals & Fertilizers Limited ("the company") for the quarter and period ended 31<sup>st</sup> Dec 2023, being submitted by the company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015, as amended.

### Management's Responsibility

The Statement, which is the responsibility of the management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IndAS-34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India.

### Auditor's Responsibility

Our responsibility is to issue a report on the Statement based on our review. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles of the applicable Accounting Standards and other recognized practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

### Emphasis of Matter

We draw attention to Note no 5, which states that the Company had recognized urea subsidy income of Rs. 2914 lakhs in the Financial Year ended March 31, 2021, considering that benchmarking of its cost of production of urea using Naphtha with that of gas-based urea manufacturing units is arbitrary and for which the Company had already filed a writ petition against the Department of Fertilizers before Hon'ble High court of Delhi. Based on the legal opinion obtained, the management believes that the criteria for recognition of subsidy revenue is met. Our conclusion is not modified in respect of this matter.

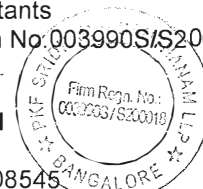
Place: Mumbai  
Date: 2<sup>nd</sup> Feb 2024

For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No. 003990S/S200018

  
Seethalakshmi. M  
Partner

Membership No. 208545

ICAI UDIN: 24208545BKAE LI 1953







The financial details of the Transferee Company for the previous 3 years as per the audited statement of Accounts is as follows:

Name of the Company: **Paradeep Phosphates Limited**

**Standalone basis:**

(Rs. in Crores)

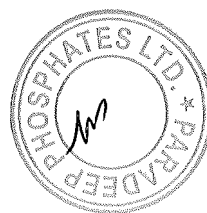
	As per the Unaudited Financial Results as on December 31, 2023	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
		2022-23	2021-22	2020-21
Equity Paid up Capital	814.74*	814.50	575.45	575.45
Reserves and surplus	2,621.46*	2,690.71	1,650.31	1,252.93
Carry forward losses				
Net Worth	3,436.20*	3,505.21	2,225.76	1,828.38
Miscellaneous Expenditure	-	-	-	-
Secured Loans	4,621.74**	4,621.74	2,944.30	1,251.17
Unsecured Loans	9.37**	9.37	10.00	-
Fixed Assets (Note 1)	3,647.83*	3,492.57	1,596.03	1,445.16
Income from Operations	9,332.38	13,340.72	7,858.72	5,164.73
Total Income	9,371.19	13,431.79	7,897.99	5,183.94
Total Expenditure	9,256.07	13,006.13	7,363.61	4,817.24
Profit before Tax	115.12	425.66	534.38	366.70
Profit after Tax	78.94	303.69	397.84	223.46
Cash profit (Note 2)	267.98	600.82	624.84	450.03
EPS in INR	0.97	3.89	6.91	3.88
Book value in INR	42.18*	43.04	38.68	31.77

\* As at September 30, 2023

\*\* As at March 31, 2023

**Note:**

1. Fixed Assets comprises of Property, plant & equipment and Capital work-in-progress.
2. Cash profit = Profit before tax plus depreciation.



**PARADEEP PHOSPHATES LIMITED**

CIN No.: L24129OR1981PLC001020

**Corporate Office:** Adventz Center, 3<sup>rd</sup> Floor, No. 28, Union Street, Off Cubbon Road, Bengaluru- 560001

**Tel:** + 91 80 46812500/555 **Email:** info-ppl@adventz.com

**Registered office:** Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751001

**Tel:** +0674 666 6100 **Fax:** +0674 2392631

[www.paradeepphosphates.com](http://www.paradeepphosphates.com)



**Consolidated basis:**

(Rs. in Crores)

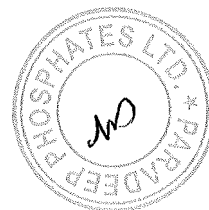
	As per the Unaudited Financial Results as on December 31, 2023	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
		2022-23	2021-22	2020-21
Equity Paid up Capital	814.74*	814.50	575.45	575.45
Reserves and surplus	2,620.98*	2,690.20	1,649.55	1,252.06
Carry forward losses				
Net Worth	3,435.72*	3,504.70	2,225.00	1,827.51
Miscellaneous Expenditure	-	-	-	-
Secured Loans	4,621.74**	4,621.74	2,944.30	1,251.17
Unsecured Loans	9.37**	9.37	10.00	-
Fixed Assets (Note 1)	3,647.83*	3,492.57	1,596.03	1,445.16
Income from Operations	9,332.38	13,340.72	7,858.72	5,164.73
Total Income	9,371.19	13,431.79	7,897.99	5,183.94
Total Expenditure	9,256.07	13,006.13	7,363.61	4,817.24
Profit before Tax	114.49	426.17	534.99	366.50
Profit after Tax	78.41	304.19	398.45	223.27
Cash profit (Note 2)	267.45	601.32	625.45	450.03
EPS in INR	0.97	3.90	6.91	3.88
Book value in INR	42.17*	43.03	38.67	31.76

\* As at September 30, 2023

\*\* As at March 31, 2023

**Note:**

1. Fixed Assets comprises of Property, plant & equipment and Capital work-in-progress.
2. Cash profit = Profit before tax plus depreciation.



**PARADEEP PHOSPHATES LIMITED**

CIN No.: L24129OR1981PLC001020

**Corporate Office:** Adventz Center, 3<sup>rd</sup> Floor, No. 28, Union Street, Off Cubbon Road, Bengaluru- 560001

**Tel:** + 91 80 46812500/555 **Email:** info-ppl@adventz.com

**Registered office:** Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751001

**Tel:** +0674 666 6100 **Fax:** +0674 2392631

[www.paradeepphosphates.com](http://www.paradeepphosphates.com)

# B S R & Co. LLP

Chartered Accountants

Godrej Waterside, Unit No. 603  
6th Floor, Tower 1, Plot No 5, Block - DP  
Sector V, Salt Lake, Kolkata – 700091  
Tel: +91 33 4035 4200  
Fax: +91 33 4035 4295

## Limited Review Report on unaudited standalone financial results of Paradeep Phosphates Limited for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### To the Board of Directors of Paradeep Phosphates Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Paradeep Phosphates Limited (hereinafter referred to as "the Company") for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



**Jayanta Mukhopadhyay**

Partner

Membership No.: 055757

UDIN: 23055757BGYIJT4775

Kolkata

31 October 2023

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

**PARADEEP PHOSPHATES LIMITED**  
 Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L241290R1981PLC001020  
**STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In Crores)

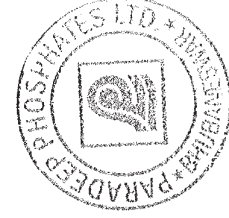
Particulars	Standalone	
	As at 30 September 2023 (Unaudited)	As at 31 March 2023 (Audited)
<b>ASSETS</b>		
<b>I. Non-current assets</b>		
(a) Property, plant and equipment	3,211.11	2,795.71
(b) Right-of-use assets	15.42	16.19
(c) Capital work-in-progress	436.72	696.86
(d) Goodwill	58.07	58.07
(e) Intangible assets	1.94	1.78
(f) Investments in associate	3.66	3.66
(g) Other income tax assets (net)	54.96	11.07
(h) Other non-current assets	55.58	59.00
<b>Total non-current assets</b>	<b>3,837.46</b>	<b>3,642.34</b>
<b>II. Current assets</b>		
(a) Inventories	1,925.58	2,237.68
(b) Financial Assets		
(i) Trade receivables	2,642.20	3,689.74
(ii) Cash and cash equivalents	235.28	43.03
(iii) Bank balances other than (ii) above	90.98	66.82
(iv) Other financial assets	303.83	337.18
(c) Other current assets	5,900.1	640.48
(d) Asset classified as held for sale	0.23	0.23
<b>Total current assets</b>	<b>5,788.11</b>	<b>7,015.16</b>
<b>Total assets (I+II)</b>	<b>9,625.57</b>	<b>10,657.50</b>
<b>EQUITY AND LIABILITIES</b>		
<b>I. Equity</b>		
(a) Equity share capital	814.74	814.50
(b) Other equity	2,621.46	2,690.71
<b>Total equity</b>	<b>3,436.20</b>	<b>3,505.21</b>
<b>II. Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	595.53	611.89
(ii) Lease liabilities	15.61	16.04
(iii) Other financial liabilities	0.02	1.80
(b) Provisions	24.38	23.79
(c) Deferred tax liabilities (net)	99.40	107.78
<b>Total non-current liabilities</b>	<b>734.94</b>	<b>761.30</b>
<b>(2) Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	3,289.63	4,019.22
(ii) Lease liabilities	0.83	0.77
(iii) Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises	11.78	6.67
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,676.12	1,905.79
(iv) Other financial liabilities	271.40	240.03
(b) Other current liabilities	130.35	115.55
(c) Provisions	74.09	90.01
(d) Current tax liabilities (net)	0.23	12.95
<b>Total current liabilities</b>	<b>5,454.43</b>	<b>6,390.99</b>
<b>Total liabilities</b>	<b>6,189.37</b>	<b>7,152.29</b>
<b>Total equity and liabilities (I+II)</b>	<b>9,625.57</b>	<b>10,657.50</b>



**PARADEEP PHOSPHATES LIMITED**  
 Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar-751 001, CIN -L241290R198IPLC001020  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023**

Sr.No	Particulars	Standalone							
		Quarter ended 30 September 2023		Quarter ended 30 June 2023		Six months ended 30 September 2023		Year ended 31 March 2023	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	<b>Income</b>								
	(a) Revenue from operations	3,683.02	2,863.69	3,054.33	6,737.35	5,298.35	13,340.72		
	(b) Other Income	10.99	6.12	19.18	30.17	15.85	91.07		
	<b>Total income</b>	<b>3,694.01</b>	<b>2,869.81</b>	<b>3,073.51</b>	<b>6,767.52</b>	<b>5,314.20</b>	<b>13,431.79</b>		
2	<b>Expenses</b>								
	(a) Cost of raw materials consumed	2,017.69	2,622.67	2,442.80	4,460.49	4,174.12	10,439.70		
	(b) Purchase of stock-in-trade	154.81	38.17	677.05	831.86	69.34	182.26		
	(c) Change in inventories of finished goods, stock-in-trade and work in progress	734.02	(464.84)	(548.53)	185.49	(116.80)	(8.78)		
	(d) Employee benefits expense	57.81	55.80	58.24	116.05	100.90	213.70		
	(e) Finance costs	95.94	72.74	92.36	188.30	124.13	291.24		
	(f) Depreciation and amortisation expenses	50.68	46.77	47.02	97.70	77.60	175.15		
	(g) Other expenses	462.69	430.50	463.33	926.02	732.16	1,713.35		
	<b>Total expenses</b>	<b>3,573.64</b>	<b>2,801.81</b>	<b>3,232.27</b>	<b>6,805.91</b>	<b>5,161.45</b>	<b>13,006.12</b>		
3	<b>(Loss)/Profit before tax (1-2)</b>	<b>120.37</b>	<b>68.00</b>	<b>(158.76)</b>	<b>(38.39)</b>	<b>152.75</b>	<b>425.67</b>		
4	<b>Tax expense</b>								
	(a) Current tax charge	-	14.62	-	-	28.26	96.30		
	(b) Income tax credit of earlier period/years	-	-	-	-	-	3.33		
	(c) Deferred tax charge/(credit)	30.94	2.64	(39.35)	(8.41)	11.10	22.36		
	<b>Total tax expense/(credit) (a-b+c)</b>	<b>30.94</b>	<b>17.26</b>	<b>(39.35)</b>	<b>(8.41)</b>	<b>39.36</b>	<b>121.99</b>		
5	<b>(Loss)/profit for the period/year (3-4)</b>	<b>89.43</b>	<b>50.74</b>	<b>(119.41)</b>	<b>(29.98)</b>	<b>113.39</b>	<b>303.68</b>		
6	<b>Other comprehensive income/(loss) (net of tax) Items that will not be reclassified to profit or loss in subsequent period/year, net of tax</b>								
	Re-measurement gains/(losses) on defined benefit plans	1.42	0.89	(1.31)	0.11	1.89	0.92		
	Income tax effect on above	(0.36)	(0.18)	0.33	(0.03)	(0.45)	(0.23)		
	<b>Total other comprehensive income/(loss)</b>	<b>1.06</b>	<b>0.71</b>	<b>(0.98)</b>	<b>0.08</b>	<b>1.44</b>	<b>0.69</b>		
7	<b>Total comprehensive income/(loss) for the period/year, net of tax (5+6)</b>	<b>90.49</b>	<b>51.45</b>	<b>(120.39)</b>	<b>(29.90)</b>	<b>114.83</b>	<b>304.37</b>		
8	Paid up equity share capital (nominal value of Rs. 10 each)						814.30		
9	Other equity						2,690.71		
10	<b>Earnings/(loss) per equity share (EPS) (Rs. 10 each) *</b>								
	(a) Basic (Rs.)	1.10	0.62	(1.47)	(0.37)	1.52	3.89		
	(b) Diluted (Rs.)	1.10	0.62	(1.47)	(0.37)	1.52	3.89		

\* EPS for the quarters ended 30 September 2023, 30 June 2023 and 30 September 2022 and six months ended 30 September 2023 and 30 September 2022 is not annualised.



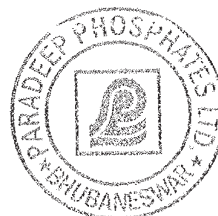
PARADEEP PHOSPHATES LIMITED

Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L241290R1981PLC001020

STATEMENT OF UNAUDITED STANDALONE CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Rs. in Crores)

	Six months ended 30 Sep 2023 (Unaudited)	Six months ended 30 Sep 2022 (Unaudited)
<b>A. Cash Flow from Operating Activities</b>		
(Loss)/profit before Tax	(38.39)	152.75
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	97.70	77.60
Finance costs	163.17	103.95
Interest income	(3.19)	(6.29)
Loss on sale / discard of property, plant and equipment (net)	10.28	8.60
Profit on sale of current investments	(1.07)	(0.89)
Loss allowance	0.87	0.93
Bad debts, claims and advances written off	0.07	0.18
Unspent liabilities/provision no longer required written back	(17.41)	(4.16)
Foreign exchange fluctuation loss unrealized (net)	16.81	8.62
Employee share based compensation expense	0.60	-
<b>Operating cash flow before working capital changes</b>	<b>229.44</b>	<b>341.29</b>
<b>Adjustments for:</b>		
Decrease/(increase) in inventories	312.10	(431.23)
Decrease/(increase) in trade receivables, loans and advances and other current assets	1,047.43	(1,835.42)
Decrease/(increase) in financial and other assets	91.78	(224.74)
Decrease in trade payables, other current liabilities	(252.80)	(364.00)
Decrease in provisions	(0.05)	(3.46)
Cash generated from/(used in) operations	1,427.90	(2,517.56)
Income taxes paid (net of refunds)	(56.61)	(91.64)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>1,371.29</b>	<b>(2,609.20)</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	0.16	0.06
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(218.07)	(169.52)
Purchase of business	-	(520.00)
Investments in current investments - mutual funds	(1,171.94)	(4,400.21)
Proceeds from sale of current investments - mutual funds	1,173.01	4,951.47
Interest received	2.31	5.64
Investment in deposits/other earmarked balances	(24.22)	(84.99)
<b>Net cash flow used in investing activities (B)</b>	<b>(238.75)</b>	<b>(217.55)</b>
<b>C. Cash flows from financing Activities</b>		
Proceeds from issue of share capital	1.02	977.95
Proceeds from non-current borrowings	181.55	319.30
Repayment of non-current borrowings	(187.41)	(77.60)
Proceeds from current borrowings	10,508.64	6,132.14
Repayment of current borrowings	(11,271.83)	(4,960.87)
Payment made towards lease liabilities	(0.99)	(0.13)
Interest paid	(171.27)	(78.84)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(940.29)</b>	<b>2,311.95</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	192.25	(514.80)
Cash and cash equivalents at the beginning of the period	43.03	537.84
<b>Cash and cash equivalents at the end of the period</b>	<b>235.28</b>	<b>23.04</b>



**Notes:**

- 1 The above standalone financial results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 31 October 2023. The limited review of these standalone financial results, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors of the Company.
- 2 Pursuant to the exercise of stock options by certain employees, the Company has allotted 2,41,834 equity shares during the period ended 30 September 2023 of Rs.10 each at exercise price per of Rs.42 per equity share.
- 3 The Company's operations fall within a single business segment "Fertilisers and Other Trading Materials". Hence, no separate segment information is disclosed.
- 4 Subsidy income for the period considers the impact of revised rates notified in accordance with the Nutrient Based Subsidy (NBS) Scheme by the Department of Fertilisers (DOF), Government of India on 26 October 2023.
- 5 On 1 June 2022, the Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited (ZACL) on a slump sale basis.  
The above financial results for the half year ended 30 September 2022 include the results of the acquired business for the period starting from 1 June 2022 and hence are not comparable with the other periods presented.



**For and behalf of Board of Directors of  
Paradeep Phosphates Limited**

*Suresh Krishnan*

**N. Suresh Krishnan  
Managing Director  
(DIN:0021965)**

**Date - 31 October 2023  
Place : Bhubaneswar**

**Limited Review Report on unaudited consolidated financial results of Paradeep Phosphates Limited for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors of Paradeep Phosphates Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Paradeep Phosphates Limited (hereinafter referred to as "the Company"), and its share of the net loss and total comprehensive income of its associate for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the associate, Zuari Yoma Agri Solutions Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The Statement also includes the Company's share of net loss of Rs. Nil and Rs. 0.53 crore and total comprehensive income of Rs. 0.04 crore and Rs. 0.03 crore, for the quarter ended 30 September 2023 and for the period from 1 April 2023 to 30 September 2023 respectively, as considered in the Statement, in respect of its associate, based on its financial information which has not been reviewed. According to the information and explanations given to us by the management, this financial information is not material to the Company.





B S R & Co. LLP

**Limited Review Report (Continued)**  
**Paradeep Phosphates Limited**

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.: 101248WW-100022



Kolkata

31 October 2023

  
**Jayanta Mukhopadhyay**

*Partner*

Membership No.: 055757

UDIN:23055757BGYIJU1944

**PARADEEP PHOSPHATES LIMITED**  
 Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L241290R1981PLC001020  
**STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In Crores)

Particulars	Consolidated	
	As at 30 September 2023 (Unaudited)	As at 31 March 2023 (Audited)
<b>ASSETS</b>		
<b>I. Non-current assets</b>		
(a) Property, plant and equipment	3,211.11	2,795.71
(b) Right-of-use assets	15.42	16.19
(c) Capital work-in-progress	436.72	696.86
(d) Goodwill	58.07	58.07
(e) Intangible assets	1.94	1.78
(f) Equity accounted investment	3.18	3.15
(g) Other income tax assets (net)	54.96	11.07
(h) Other non-current assets	55.58	59.00
<b>Total non-current assets</b>	<b>3,836.98</b>	<b>3,641.83</b>
<b>II. Current assets</b>		
(a) Inventories	1,925.58	2,237.68
(b) Financial Assets		
(i) Trade receivables	2,642.20	3,689.74
(ii) Cash and cash equivalents	235.28	43.03
(iii) Bank balances other than (ii) above	90.98	66.82
(iv) Other financial assets	303.83	337.18
(c) Other current assets	590.01	640.48
(d) Asset classified as held for sale	0.23	0.23
<b>Total current assets</b>	<b>5,788.11</b>	<b>7,015.16</b>
<b>Total assets (I+II)</b>	<b>9,625.09</b>	<b>10,656.99</b>
<b>EQUITY AND LIABILITIES</b>		
<b>I. Equity</b>		
(a) Equity share capital	814.74	814.50
(b) Other equity	2,620.98	2,690.20
<b>Total equity</b>	<b>3,435.72</b>	<b>3,504.70</b>
<b>II. Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	595.53	611.89
(ii) Lease liabilities	15.61	16.04
(iii) Other financial liabilities	0.02	1.80
(b) Provisions	24.38	23.79
(c) Deferred tax liabilities (net)	99.40	107.78
<b>Total non-current liabilities</b>	<b>734.94</b>	<b>761.30</b>
<b>(2) Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	3,289.63	4,019.22
(ii) Lease liabilities	0.83	0.77
(iii) Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises	11.78	6.67
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,676.12	1,905.79
(iv) Other financial liabilities	271.40	240.03
(b) Other current liabilities	130.35	115.55
(c) Provisions	74.09	90.01
(d) Current tax liabilities (net)	0.23	12.95
<b>Total current liabilities</b>	<b>5,454.43</b>	<b>6,390.99</b>
<b>Total liabilities</b>	<b>6,189.37</b>	<b>7,152.29</b>
<b>Total equity and liabilities (I+II)</b>	<b>9,625.09</b>	<b>10,656.99</b>



**PARADEEP PHOSPHATES LIMITED**  
 Regd. Office : 5th Floor, Bayan Bhawan, P. J. N. Marg, Bhubaneswar -751 001. CIN -L241290R1981PLC001020  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023**

Sr. No	Particulars	(Rs. in Crores)					
		Quarter ended		Quarter ended		Six months ended	
		30 September 2023	30 September 2022	30 June 2023	30 September 2023	30 September 2022	31 March 2023
1	Income	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30 September 2023	30 September 2022	30 June 2023	30 September 2023	30 September 2022	31 March 2023
	(a) Revenue from operations	3,683.02	2,863.49	3,054.33	6,737.35	5,298.35	13,340.72
	(b) Other income	10.59	6.12	19.18	30.17	15.85	91.07
	<b>Total income</b>	<b>3,694.01</b>	<b>2,869.81</b>	<b>3,073.51</b>	<b>6,767.52</b>	<b>5,314.20</b>	<b>13,431.79</b>
2	Expenses	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30 September 2023	30 September 2022	30 June 2023	30 September 2023	30 September 2022	31 March 2023
	(a) Cost of raw materials consumed	2,017.49	2,622.67	2,442.80	4,460.49	4,174.12	10,439.70
	(b) Purchase of stock-in-trade	154.81	38.17	677.05	831.86	60.34	182.26
	(c) Change in inventories of finished goods, stock-in-trade and work in progress	734.02	(464.84)	(548.53)	185.49	(116.80)	(8.78)
	(d) Employee benefits expense	57.81	55.80	58.24	116.05	100.90	213.20
	(e) Finance costs	95.94	72.74	92.36	188.30	124.13	291.24
	(f) Depreciation and amortisation expenses	50.68	46.77	47.02	97.70	77.60	175.15
	(g) Other expenses	462.69	430.50	463.33	926.02	732.16	1,713.35
	<b>Total expenses</b>	<b>3,573.64</b>	<b>2,801.81</b>	<b>3,232.27</b>	<b>6,805.91</b>	<b>5,161.45</b>	<b>13,006.12</b>
3	<b>Profit/(loss) before share of (loss)/profit from associate (1-2)</b>	120.37	48.00	(158.76)	(38.39)	152.75	425.47
4	Share of (loss)/profit from associate	(0.00)	0.36	(0.53)	(0.53)	0.48	0.50
5	<b>(Loss)/Profit before tax (3+4)</b>	<b>120.37</b>	<b>68.36</b>	<b>(159.29)</b>	<b>(38.92)</b>	<b>153.23</b>	<b>426.17</b>
6	Tax expense	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30 September 2023	30 September 2022	30 June 2023	30 September 2023	30 September 2022	31 March 2023
	(a) Current tax charge	-	14.62	-	-	28.26	96.30
	(b) Income tax credit of earlier period/years	-	-	-	-	-	3.33
	(c) Deferred tax charge/(credit)	30.94	2.64	(39.35)	(8.41)	11.10	22.36
	<b>Total tax expense/(credit) (a-b+c)</b>	<b>30.94</b>	<b>17.26</b>	<b>(39.35)</b>	<b>(8.41)</b>	<b>39.36</b>	<b>121.99</b>
7	<b>(Loss)/profit for the period/year (5-6)</b>	<b>89.43</b>	<b>51.10</b>	<b>(119.94)</b>	<b>(30.51)</b>	<b>113.87</b>	<b>304.18</b>
8	Other comprehensive income/(loss) (net of tax)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30 September 2023	30 September 2022	30 June 2023	30 September 2023	30 September 2022	31 March 2023
	Items that will be reclassified to profit or loss	0.04	(0.26)	0.52	0.56	(0.25)	(0.25)
	Exchange differences on translation of foreign operations	-	-	-	-	-	-
	Items that will not be reclassified to profit or loss in subsequent period/year, net of tax	1.42	0.89	(1.31)	0.11	1.89	0.92
	Re-measurement gains/(losses) on defined benefit plans	(0.56)	(0.18)	0.33	(0.03)	(0.45)	(0.23)
	Income tax effect on above	1.10	0.45	(0.46)	0.64	1.19	0.44
	<b>Total other comprehensive income/(loss)</b>	<b>1.10</b>	<b>0.45</b>	<b>(0.46)</b>	<b>0.64</b>	<b>1.19</b>	<b>0.44</b>
9	<b>Total comprehensive income/(loss) for the period/year, net of tax (7+8)</b>	<b>90.53</b>	<b>51.55</b>	<b>(120.40)</b>	<b>(29.87)</b>	<b>115.06</b>	<b>304.62</b>
10	Profit/(loss) attributable to:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30 September 2023	30 September 2022	30 June 2023	30 September 2023	30 September 2022	31 March 2023
	Owners of the company	89.43	51.10	(119.94)	(30.51)	113.87	304.18
	<b>Other comprehensive income/(loss) attributable to:</b>	<b>1.10</b>	<b>0.45</b>	<b>(0.46)</b>	<b>0.64</b>	<b>1.19</b>	<b>0.44</b>
	Owners of the company	1.10	0.45	(0.46)	0.64	1.19	0.44
	<b>Total comprehensive income/(loss) attributable to:</b>	<b>90.53</b>	<b>51.55</b>	<b>(120.40)</b>	<b>(29.87)</b>	<b>115.06</b>	<b>304.62</b>
	Owners of the company	90.53	51.55	(120.40)	(29.87)	115.06	304.62
	Paid up equity share capital (nominal value of Rs. 10 each)	-	-	-	-	-	814.50
11	Other equity	-	-	-	-	-	2,690.20
12	Earnings/(loss) per equity share (EPS) (Rs.10 each) *	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30 September 2023	30 September 2022	30 June 2023	30 September 2023	30 September 2022	31 March 2023
	(a) Basic (Rs.)	1.10	0.63	(1.47)	(0.37)	1.53	3.90
	(b) Diluted (Rs.)	1.10	0.63	(1.47)	(0.37)	1.53	3.90

\* EPS for the quarters ended 30 September 2023, 30 June 2023 and six months ended 30 September 2023 and 30 September 2022 is not annualised



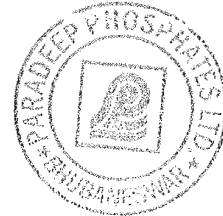
**PARADEEP PHOSPHATES LIMITED**

Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L241290R1981PLC001020

**STATEMENT OF UNAUDITED CONSOLIDATED CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023**

(Rs. in Crores)

	Six months ended 30 Sep 2023 (Unaudited)	Six months ended 30 Sep 2022 (Unaudited)
<b>A. Cash Flow from Operating Activities</b>		
(Loss)/profit before tax	(38.92)	153.23
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	97.70	77.60
Finance costs	163.17	103.95
Interest income	(3.19)	(6.29)
Loss on sale / discard of property, plant and equipment (net)	10.28	8.60
Profit on sale of current investments	(1.07)	(0.89)
Loss allowance	0.87	0.93
Bad debts, claims and advances written off	0.07	0.18
Unspent liabilities/provision no longer required written back	(17.41)	(4.16)
Foreign exchange fluctuation loss unrealized (net)	16.81	8.62
Employee share based compensation expense	0.60	-
Share of loss/(profit) from associate	0.53	(0.48)
<b>Operating cash flow before working capital changes</b>	<b>229.44</b>	<b>341.29</b>
<b>Adjustments for:</b>		
Decrease/(increase) in inventories	312.10	(431.23)
Decrease/(increase) in trade receivables, loans and advances and other current assets	1,047.43	(1,835.42)
Decrease/(increase) in financial and other assets	91.78	(224.74)
Decrease in trade payables, other current liabilities	(252.80)	(364.00)
Decrease in provisions	(0.05)	(3.46)
Cash generated from/(used in) operations	1,427.90	(2,517.56)
Income taxes paid (net of refunds)	(56.61)	(91.64)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>1,371.29</b>	<b>(2,609.20)</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	0.16	0.06
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(218.07)	(169.52)
Purchase of business	-	(520.00)
Investments in current investments - mutual funds	(1,171.94)	(4,400.21)
Proceeds from sale of current investments - mutual funds	1,173.01	4,951.47
Interest received	2.31	5.64
Investment in deposits/other earmarked balances	(24.22)	(84.99)
<b>Net cash used in investing activities (B)</b>	<b>(238.75)</b>	<b>(217.55)</b>
<b>C. Cash flows from financing Activities</b>		
Proceeds from issue of share capital	1.02	977.95
Proceeds from non-current borrowings	181.55	319.30
Repayment of non-current borrowings	(187.41)	(77.60)
Proceeds from current borrowings	10,508.64	6,132.14
Repayment of current borrowings	(11,271.83)	(4,960.87)
Payment made towards lease liabilities	(0.99)	(0.13)
Interest paid	(171.27)	(78.84)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(940.29)</b>	<b>2,311.95</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	192.25	(514.80)
Cash and cash equivalents at the beginning of the period	43.03	537.84
<b>Cash and cash equivalents at the end of the period</b>	<b>235.28</b>	<b>23.04</b>



**Notes:**

- 1 The above consolidated financial results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 31 October 2023. The limited review of these consolidated financial results, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors of the Company.
- 2 Pursuant to the exercise of stock options by certain employees, the Company has allotted 2,41,834 equity shares during the period ended 30 September 2023 of Rs.10 each at exercise price per of Rs.42 per equity share.
- 3 The Company's operations fall within a single business segment "Fertilisers and Other Trading Materials". Hence, no separate segment information is disclosed.
- 4 Subsidy income for the period considers the impact of revised rates notified in accordance with the Nutrient Based Subsidy (NBS) Scheme by the Department of Fertilisers (DOF), Government of India on 26 October 2023.
- 5 On 1 June 2022, the Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited (ZACL) on a slump sale basis.  
The above financial results for the half year ended 30 September 2022 include the results of the acquired business for the period starting from 1 June 2022 and hence are not comparable with the other periods presented.



**For and behalf of Board of Directors of  
Paradeep Phosphates Limited**

*N. Suresh Krishnan*  
**N. Suresh Krishnan  
Managing Director  
(DIN:0021965)**

**Date - 31 October 2023  
Place : Bhubaneswar**

**B S R & Co. LLP**

Chartered Accountants

Godrej Waterside, Unit No. 603  
 6th Floor, Tower 1, Plot No 5, Block - DP  
 Sector V, Salt Lake, Kolkata – 700091  
 Tel: +91 33 4035 4200  
 Fax: +91 33 4035 4295

**Limited Review Report on unaudited standalone financial results of Paradeep Phosphates Limited for the quarter ended 31 December 2023 and year to date results for the period from 1 April 2023 to 31 December 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors of Paradeep Phosphates Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Paradeep Phosphates Limited (hereinafter referred to as "the Company") for the quarter ended 31 December 2023 and year to date results for the period from 1 April 2023 to 31 December 2023 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.: 101248W/W-100022

**Jayanta Mukhopadhyay**

*Partner*

Membership No.: 055757

UDIN:24055757BKEYJI3330

Kolkata

05 February 2024

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

**PARADEEP PHOSPHATES LIMITED**  
 Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar-751 001, CIN -L241290RI981PLC001020  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**

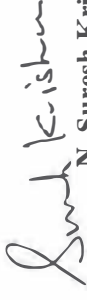
Sr No	Particulars	Standalone						Year ended 31 March 2023		
		Quarter ended 31 December 2023		Quarter ended 31 December 2022		Nine months ended 31 December 2023			Nine months ended 31 December 2022	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		Unaudited	Audited
<b>1</b>	<b>Income</b>									
	(a) Revenue from operations	2,595.03	3,683.02	4,398.43	9,332.38	4,696.78	13,340.72			
	(b) Other Income	8.64	10.99	5.54	38.81	21.39	91.07			
	<b>Total income</b>	<b>2,603.67</b>	<b>3,694.01</b>	<b>4,403.97</b>	<b>9,371.19</b>	<b>4,718.17</b>	<b>13,431.79</b>			
<b>2</b>	<b>Expenses</b>									
	(a) Cost of raw materials consumed	1,611.00	2,017.69	3,367.94	6,071.49	5,542.06	10,439.70			
	(b) Purchase of stock-in-trade	207.73	154.81	69.96	1,039.59	139.30	182.26			
	(c) Change in inventories of finished goods, stock-in-trade and work in	52.25	734.02	64.82	237.74	(51.98)	(8.78)			
	(d) Employee benefits expense	55.86	57.81	57.64	171.91	158.54	213.20			
	(e) Finance costs	82.46	95.94	87.35	270.76	211.48	291.24			
	(f) Depreciation and amortisation expenses	55.16	50.68	47.08	152.86	124.68	175.15			
	(g) Other expenses	385.70	462.69	466.32	1,311.72	1,098.48	1,713.35			
	<b>Total expenses</b>	<b>2,450.16</b>	<b>3,573.64</b>	<b>4,161.11</b>	<b>9,256.07</b>	<b>8,322.56</b>	<b>13,006.12</b>			
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>153.51</b>	<b>120.37</b>	<b>242.86</b>	<b>115.12</b>	<b>395.61</b>	<b>425.67</b>			
<b>4</b>	<b>Tax expense</b>									
	(a) Current tax charge	4.84	-	57.16	4.84	85.42	96.30			
	(b) Income tax charge of earlier periods/cays	-	-	-	-	-	3.33			
	(c) Deferred tax charge	39.75	30.94	4.88	31.34	15.98	22.36			
	<b>Total tax expense (a+b+c)</b>	<b>44.59</b>	<b>30.94</b>	<b>62.04</b>	<b>36.18</b>	<b>101.40</b>	<b>121.99</b>			
<b>5</b>	<b>Profit for the period/year (3-4)</b>	<b>108.92</b>	<b>89.43</b>	<b>180.82</b>	<b>78.94</b>	<b>294.21</b>	<b>303.68</b>			
<b>6</b>	<b>Other comprehensive income/(loss) (net of tax)</b>									
	Items that will not be reclassified to profit or loss in subsequent period/year, net of tax									
	Re-measurement gains/(losses) on defined benefit plans	(1.50)	1.42	(0.92)	(1.39)	0.97	0.92			
	Income tax effect on above	0.38	(0.36)	0.17	0.35	(0.28)	(0.23)			
	<b>Total other comprehensive income/(loss)</b>	<b>(1.12)</b>	<b>1.06</b>	<b>(0.75)</b>	<b>(1.04)</b>	<b>0.69</b>	<b>0.69</b>			
<b>7</b>	<b>Total comprehensive income for the period/year, net of tax (5+6)</b>	<b>107.80</b>	<b>90.49</b>	<b>180.07</b>	<b>77.90</b>	<b>294.90</b>	<b>304.37</b>			
<b>8</b>	Paid up equity share capital (nominal value of Rs.10 each)						814.50			
<b>9</b>	Other equity						2,690.71			
<b>10</b>	<b>Earnings per equity share (EPS) (Rs.10 each) *</b>									
	(a) Basic (Rs.)	1.34	1.10	2.22	0.97	3.83	3.89			
	(b) Diluted (Rs.)	1.34	1.10	2.22	0.97	3.83	3.89			

\* EPS for the quarters ended 31 December 2023, 31 December 2022 and 30 September 2023 and nine months ended 31 December 2023 and 31 December 2022 is not annualised

**Notes:**

- 1 The above standalone financial results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 5 February 2024. The limited review of these standalone financial results, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors of the Company.
- 2 The Company's operations fall within a single business segment "Fertilisers and Other Trading Materials". Hence, no separate segment information is disclosed.
- 3 On 1 June 2022, the Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited (ZACL) on a slump sale basis.  
The above financial results for the nine months period ended 31 December 2022 include the results of the acquired business for the period starting from 1 June 2022 and hence are not comparable with the other periods presented.

**For and behalf of Board of Directors of  
Paradeep Phosphates Limited**



**N. Suresh Krishnan  
Managing Director  
(DIN:0021965)**

**Date - 5 February 2024**

**Place : Bengaluru**



**Limited Review Report on unaudited consolidated financial results of Paradeep Phosphates Limited for the quarter ended 31 December 2023 and year to date results for the period from 1 April 2023 to 31 December 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors of Paradeep Phosphates Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Paradeep Phosphates Limited (hereinafter referred to as "the Company"), and its share of the net loss and total comprehensive income of its associate for the quarter ended 31 December 2023 and year to date results for the period from 1 April 2023 to 31 December 2023 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of its associate, Zuari Yoma Agri Solutions Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The Statement also includes the Company's share of net loss of Rs. Nil and Rs. 0.53 crore and total comprehensive income of Rs. 0.05 crore and Rs. 0.08 crore for the quarter ended 31 December 2023 and for the period from 1 April to 31 December 2023 respectively, as considered in the Statement, in respect of associate, based on its financial information which has not been reviewed. According to the information and explanations given to us by the management, this financial information is not material to the Company.



B S R & Co. LLP

**Limited Review Report (*Continued*)**  
**Paradeep Phosphates Limited**

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.: 101248W/W-100022



**Jayanta Mukhopadhyay**

*Partner*

Membership No.: 055757

UDIN:24055757BKEYJJ5249

Kolkata

05 February 2024

**PARADEEP PHOSPHATES LIMITED**  
 Regd. Office : 5th Floor, Bayan Bhawan, Pt. J. N. Marg, Bhubaneswar -751 001, CIN -L241290R1981PLC001020  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**


Sr No	Particulars	Consolidated								(Rs. in Crores)				
		Quarter ended 31 December 2023		Quarter ended 30 September 2023		Quarter ended 31 December 2022		Nine months ended 31 December 2023		Nine months ended 31 December 2022		Year ended 31 March 2023		
		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited		
1	<b>Income</b>													
	(a) Revenue from operations	2,595.03	3,683.02	2,017.69	3,367.94	6,071.49	7,542.06	9,332.38	9,696.78	13,340.72				
	(b) Other Income	8.64	10.99	154.81	69.96	1,039.59	139.30	38.81	21.39	91.07				
	<b>Total income</b>	<b>2,603.67</b>	<b>3,694.01</b>	<b>2,172.50</b>	<b>3,437.90</b>	<b>7,111.08</b>	<b>7,681.36</b>	<b>9,371.19</b>	<b>9,718.17</b>	<b>13,431.79</b>				
2	<b>Expenses</b>													
	(a) Cost of raw materials consumed	1,611.00	2,017.69	1,611.00	2,017.69	6,071.49	7,542.06	6,071.49	7,542.06	10,439.70				
	(b) Purchase of stock-in-trade	207.73	154.81	154.81	69.96	1,039.59	139.30	38.81	21.39	182.26				
	(c) Change in inventories of finished goods, stock-in-trade and work in progress	52.25	734.02	734.02	64.82	237.74	(51.98)			(8.78)				
	(d) Employee benefits expense	55.86	57.81	57.81	57.64	171.91	158.54	213.20	211.48	291.24				
	(e) Finance costs	82.46	95.94	95.94	87.35	270.76	211.48	124.68	175.15	175.15				
	(f) Depreciation and amortisation expenses	55.16	50.68	50.68	47.08	152.86	124.68	1,198.48	1,198.48	1,713.35				
	(g) Other expenses	385.70	462.69	462.69	466.32	1,311.72	1,713.35							
	<b>Total expenses</b>	<b>2,450.16</b>	<b>3,573.64</b>	<b>3,573.64</b>	<b>4,161.11</b>	<b>9,256.07</b>	<b>9,322.56</b>	<b>9,256.07</b>	<b>9,322.56</b>	<b>13,006.12</b>				
3	<b>Profit before share of (loss)/profit from associate (1-2)</b>	153.51	120.37	120.37	242.86	115.12	395.61	425.67	425.67	425.67				
4	<b>Share of (loss)/profit from associate #</b>	(0.00)	(0.00)	(0.00)	(0.49)	(0.53)	(0.01)	(0.01)	(0.01)	0.50				
5	<b>Profit before tax (3+4)</b>	<b>153.51</b>	<b>120.37</b>	<b>120.37</b>	<b>242.37</b>	<b>114.59</b>	<b>395.60</b>	<b>425.66</b>	<b>425.66</b>	<b>426.17</b>				
6	<b>Tax expense</b>													
	(a) Current tax charge	4.84	-	-	57.16	4.84	85.42	4.84	85.42	96.30				
	(b) Income tax charge of earlier period/years	-	-	-	-	-	-	-	-	3.33				
	(c) Deferred tax charge	39.75	30.94	30.94	4.88	31.34	15.98	36.18	101.40	22.36				
	<b>Total tax expense (a+b+c)</b>	<b>44.59</b>	<b>30.94</b>	<b>30.94</b>	<b>62.04</b>	<b>36.18</b>	<b>101.40</b>	<b>42.02</b>	<b>101.40</b>	<b>121.99</b>				
7	<b>Profit for the period/year (5-6)</b>	<b>108.92</b>	<b>89.43</b>	<b>89.43</b>	<b>180.33</b>	<b>78.41</b>	<b>294.20</b>	<b>294.20</b>	<b>294.20</b>	<b>304.18</b>				
8	<b>Other comprehensive income/(loss) (net of tax)</b>													
	A Items that will be reclassified to profit or loss	0.05	0.04	0.04	0.54	0.61	0.29	0.61	0.29	(0.25)				
	Exchange differences on translation of foreign operation:													
	B Items that will not be reclassified to profit or loss in subsequent period/year, net of tax	(1.50)	1.42	1.42	(0.92)	(1.39)	0.97	(1.39)	0.97	0.92				
	Re-measurement gains/(losses) on defined benefit plan:	0.38	(0.36)	(0.36)	0.17	0.35	(0.28)	0.35	(0.28)	(0.23)				
	Income tax effect on above	(1.07)	1.10	1.10	(0.21)	(0.43)	0.98	(0.43)	0.98	0.44				
	<b>Total other comprehensive income/(loss)</b>	<b>(1.07)</b>	<b>1.10</b>	<b>1.10</b>	<b>(0.21)</b>	<b>(0.43)</b>	<b>0.98</b>	<b>(0.43)</b>	<b>0.98</b>	<b>0.44</b>				
9	<b>Total comprehensive income for the period/year, net of tax (7+8)</b>	<b>107.85</b>	<b>90.53</b>	<b>90.53</b>	<b>180.12</b>	<b>77.98</b>	<b>295.18</b>	<b>295.18</b>	<b>295.18</b>	<b>304.62</b>				
	<b>Profit attributable to:</b>													
	Owners of the Company	108.92	89.43	89.43	180.33	78.41	294.20	294.20	294.20	304.18				
	<b>Other comprehensive income/(loss) attributable to:</b>													
	Owners of the Company	(1.07)	1.10	1.10	(0.21)	(0.43)	0.98	(0.43)	0.98	0.44				
	<b>Total comprehensive income attributable to:</b>													
	Owners of the Company	107.85	90.53	90.53	180.12	77.98	295.18	295.18	295.18	304.62				
	Paid up equity share capital (nominal value of Rs 10 each)									814.50				
	Other equity									2,690.20				
10	<b>Earnings per equity share (EPS) (Rs.10 each) *</b>													
	(a) Basic (Rs.)	1.34	1.10	1.10	2.21	0.96	3.83	0.96	3.83	3.90				
	(b) Diluted (Rs.)	1.34	1.10	1.10	2.21	0.96	3.83	0.96	3.83	3.90				

\* EPS for the quarters ended 31 December 2023, 31 December 2022 and 30 September 2023 and nine months ended 31 December 2023 and 31 December 2022 is not annualised.  
 # Amounts below rounding off convention, hence disclosed as Rs. (0.00)

**Notes:**

- 1 The above consolidated financial results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 5 February 2024. The limited review of these consolidated financial results, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors of the Company.
- 2 The Company's operations fall within a single business segment "Fertilisers and Other Trading Materials". Hence, no separate segment information is disclosed.
- 3 On 1 June 2022, the Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited (ZACL) on a slump sale basis.  
The above financial results for the nine months period ended 31 December 2022 include the results of the acquired business for the period starting from 1 June 2022 and hence are not comparable with the other periods presented.

**For and behalf of Board of Directors of  
Paradeep Phosphates Limited**

  
N. Suresh Krishnan  
Managing Director  
(DIN:0021965)

**Date - 5 February 2024**

**Place : Bengaluru**

**PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

To,  
The Board of Directors,  
Mangalore Chemicals & Fertilizers Limited

**Introduction**

We, the Statutory auditors of Mangalore Chemicals & Fertilizers Limited (herein after referred as "the company"), have examined Section C and D of the draft Scheme of Arrangement of Mangalore Chemicals & Fertilizers Limited ("Transferor Company") with Paradeep Phospates Limited ("Transferee Company") and their respective shareholders and creditors ("the Scheme") under provisions of SEBI Circular, Section 230 to 232 and other applicable provisions of the Companies Act 2013 ("the Act" and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules") with reference to its compliance with the applicable Indian Accounting Standards notified under section 133 of the Act and Other Generally Accepted Accounting Principles.

**Management's Responsibility**

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and Regulations, including the applicable Indian Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of draft scheme and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI circular, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the relevant National company Law Tribunal, the SEBI, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as 'the stock exchanges')

**Auditor's Responsibility**

Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Indian Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the Statutory Auditors of any financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India to the extent applicable. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform audits and reviews of historical financial information, and other assurance and related services engagements, issued by the Institute of Chartered Accountants of India.



## Conclusion

Based on our examination and according to the information and explanations given to us, along with the representations provided to us by the management, the Company shall be amalgamated with Paradeep Phospates Limited with effect from the appointed date and shall stand dissolved without the process of winding up in terms of Section C and D of the Scheme. Accordingly, we understand that no accounting treatment shall be required in the books of accounts of the Company pursuant to the Scheme becoming effective.

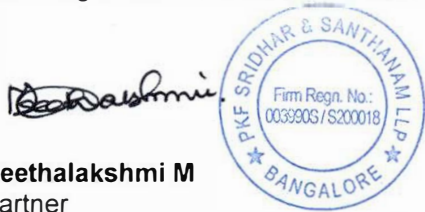
## Restriction to Use

Our obligation in respect of this review report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditor of the company or otherwise. Nothing in this review report, nor anything said or done in the course of or in connection with the service that are the subject of this report, will extend any duty of care we may have in our capacity as auditor of the company.

This Certificate is issued at the request of the Mangalore Chemicals & Fertilizers Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the stock exchanges. This Certificate should not be used for any other purpose without our prior written consent.

**For PKF Sridhar & Santhanam LLP**  
**Chartered Accountants**

Firm Registration No. 003990S/S200018



**Seethalakshmi M**

Partner

Membership No. 208545

UDIN: 24208545BKAELN9074

Place: Bangalore

Date: 7<sup>th</sup> Feb 2024





Mangalore Chemicals  
& Fertilizers Limited

February 07, 2024

**National Stock Exchange of  
India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
MUMBAI - 400 051

**BSE Limited**  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Compliance report to be submitted along with the draft scheme in accordance with Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India ("SEBI Scheme Circular").**

It is hereby certified that the draft composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited, Paradeep Phosphates Limited and their respective creditors and shareholders under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws ("**Scheme**") does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and the SEBI Scheme Circular, including the following:

Sl.	Reference	Particulars	Remarks
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	In compliance
2	Regulation 11 of LODR Regulations	Compliance with securities laws	In compliance
<b>Requirements of the SEBI Scheme Circular</b>			
(a)	Para (1)(A)(2)	Submission of documents to Stock Exchanges	In compliance
(b)	Para (1)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	Both Mangalore Chemicals & Fertilizers Limited and Paradeep Phosphates Limited are listed entities, and no unlisted entities are involved in the Scheme. Hence, the requirement mentioned in Para (1)(A)(3) is not applicable.

*Get*

*[Signature]*





Mangalore Chemicals  
& Fertilizers Limited

(c)	Para (1)(A)(4) (a)	Submission of Valuation Report	In compliance
(d)	Para (1)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	In compliance
(e)	Para (1)(A)(10)	Provision of approval of public shareholders through e-voting	Approval of the public shareholders of both Mangalore Chemicals & Fertilizers Limited and Paradeep Phosphates Limited as required under para (1)(A)(10) of Part I of the SEBI Scheme Circular is applicable. This requirement relating to the approval of the public shareholders through e-voting will be complied with.  Hence this undertaking has not been provided.

Yours sincerely,  
For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

**Company Secretary**

**Whole-time Director**

Certified that the transactions / accounting treatment provided in the draft composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited, Paradeep Phosphates Limited and their respective creditors and shareholders under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws are in compliance with all the accounting standards applicable to a listed entity.

Yours sincerely,  
For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

**Chief Financial Officer**

**Whole-time Director**





Mangalore Chemicals  
& Fertilizers Limited

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This Report is prepared, considered and approved by the Committee of Independent Directors (“**Committee**”) of Mangalore Chemicals & Fertilizers Limited (the “**Company**”) pursuant to its meeting held on February 7, 2024 at 5:15 PM, where the following independent directors were present:

**Present:**

1. Mr. Marco Wadia
2. Mr. D A Prasanna
3. Mrs. Kiran Dhingra

**Chairman:** The Committee unanimously elected Mr. Marco Wadia, as the chairman of this meeting.

**1. Background**

- 1.1 This meeting of the Committee was held on February 7, 2024 to consider the proposed scheme of arrangement which *inter alia* provides for the amalgamation of the Company with and into Paradeep Phosphates Limited (“**Transferee Company**”) pursuant to a composite scheme of arrangement amongst the Company, the Transferee Company and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Companies Act**”).
- 1.2 The Company is a listed public limited company whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the “**Stock Exchanges**”).
- 1.3 The Transferee Company is a listed public limited company, whose equity shares are listed on the Stock Exchanges.
- 1.4 In terms of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India (“**SEBI**”) on June 20, 2023 (as amended from time to time) (“**SEBI Scheme Circular**”), a report from the Committee recommending the draft Scheme is required to be provided, taking into consideration, *inter alia*, that the Scheme is not detrimental to the shareholders of the Company. This Report of the Committee has been made in compliance with the requirements of the SEBI Scheme Circular.

**2. Documents perused by the Committee**

While deliberating on the Scheme, the Committee, *inter alia*, considered and took on record the following documents:

- (a) the Scheme;
- (b) the valuation report dated February 7, 2024 jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/R V-E/06/2020/126) and Pawan Shivkumar



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Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the audit committee of the Board (collectively, the "Valuation Report");

- (c) the fairness opinion dated February 7, 2024 issued by Fedex Securities Private Limited, the SEBI registered merchant banker with registration number INM 000010163, providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("Fairness Opinion"); and
- (d) the certificate dated February 7, 2024 issued by M/s. PKF Sridhar & Santhanam LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles.

### 3. Salient features of the Scheme

3.1 The Scheme, amongst others, contemplates the following:

- (a) the amalgamation by way of merger of the Company with and into the Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;
- (b) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);
- (c) issuance and allotment of equity shares of the Transferee Company (*as defined in the Scheme*) by the Transferee Company (*as defined in the Scheme*) to the equity shareholders of the Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Report;
- (d) transfer of the authorized share capital of the Company to the Transferee Company and the consequential increase in the authorized share capital of the Transferee Company as provided in the Scheme; and
- (e) dissolution without winding up of the Company.

3.2 The effectiveness of the Scheme is conditional upon fulfilment of certain conditions precedent as provided in Clause 45 of the Scheme.

### 4. Rationale of the Scheme

The Company and the Transferee Company are of the view that (a) the proposed amalgamation of the Company with and into the Transferee Company; and (b) the other arrangements contemplated in the Scheme, would be to the benefit of the shareholders and creditors of the Company and the Transferee Company and would *inter alia* have the following benefits:

4.1 The proposed amalgamation will enable the Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India.



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- 4.2 The Company and the Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to the Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth.
- 4.3 The proposed amalgamation is expected to inter alia result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company.
- 4.4 The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Company and the Transferee Company.

#### **5. Scheme is not detrimental to the shareholders of the Company**

- 5.1 The Committee discussed the background, salient features and rationale of the Scheme. In view of the various documents presented to the Committee, including the Valuation Report and the Fairness Opinion, it is observed that the Scheme will result in synergies between the businesses of the Company and the Transferee Company, including revenue synergies through sharing of consumer understanding and market insights and channel models to ensure faster reach to the market and to achieve faster growth.
- 5.2 The Committee discussed and formed the view that there will be strong synergies in the proposed amalgamation contemplated in the Scheme, the employees in general will be benefited and the merged company will be better positioned to carry on the combined businesses of the Company and the Transferee Company, financially and otherwise.
- 5.3 Therefore, considering the above and other documents presented to the Committee, the Committee is of the view that the Scheme is not detrimental to the shareholders of the Company.

#### **6. Recommendations of the Committee**

In view of the above, and taking into considerations the documents presented to the Committee, after due deliberations and due consideration of all the terms of the Scheme, in particular fact that the Scheme is not detrimental to the shareholders of the Company, the Committee unanimously recommends the Scheme for approval.

For and on behalf of the **Committee of Independent Directors of  
Mangalore Chemicals & Fertilizers Limited**

\* 

**Marco Wadia**

Independent Director

**DIN:** 00244357

**Date:** February 07, 2024

**Place:** Mumbai

Registered Office: UB Tower, Level 11, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001, India.

Tel: +91 80 4585 5575/68 Fax: +91 80 4585 5588 E-mail: shares.mcfl@adventz.com

Website: www.mangalorechemicals.com

Corporate Identity Number: L24123KA1966PLC002036



Mangalore Chemicals  
& Fertilizers Limited

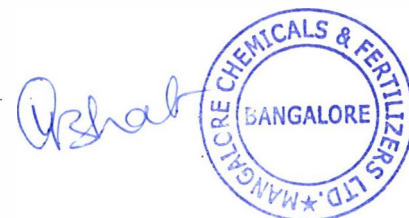
**THE EXTRACTS OF THE MINUTES OF 396<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED HELD ON WEDNESDAY, FEBRUARY 07, 2024 AT 5.30 PM THROUGH VIDEO CONFERENCING FACILITY AT THE ADVENTZ CENTRE, 28 UNION STREET, BANGALORE – 560001 AS SCHEDULED VENUE.**

**Approval of the Composite Scheme of Arrangement**

**“RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made thereunder as may be applicable, the provisions of the Income Tax Act, 1961, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India (“**SEBI**” and such circular, the “**Scheme Circular**”) and any other applicable laws, rules, circulars and regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the relevant provisions of the Memorandum of Association and Articles of Association of the Company, the approval of the relevant jurisdictional National Company Law Tribunals (“**NCLT**”) and such other approval(s), permission(s) and sanction(s) of regulatory/ statutory authority(ies), as may be necessary, and subject to such condition(s) and modification(s) as may be prescribed or imposed by the NCLT or by any regulatory/ statutory authority(ies), while granting such consent(s), approval(s) and permission(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the composite scheme of arrangement by and amongst the Company, the Transferee Company, and their respective shareholders and creditors, in relation to inter alia the amalgamation of the Company with and into the Transferee Company;

**RESOLVED FURTHER THAT** pursuant to the relevant provisions of the Companies Act, 2013, the Scheme Circular and other applicable law(s), the Board hereby approves and takes on record the following documents, which have been placed before the Board:

1. the draft Scheme;
2. the valuation report dated February 07, 2024 issued jointly by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the audit committee of the Board;
3. the fairness opinion dated February 07, 2024 issued by Fedex Securities Private Limited, SEBI registered merchant banker appointed by the Company;
4. the certificate dated February 07, 2024 issued by PKF Sridhar & Santhanam LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other applicable laws;







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5. the report of the audit committee of the Board dated February 07, 2024 recommending the Scheme for approval, prepared in conformity with the Scheme Circular;
6. the report of the committee of the independent directors dated February 07, 2024 recommending the Scheme for approval, prepared in conformity with the Scheme Circular; and
7. the report of the Board in terms of Section 232(2)(c) of the Companies Act, 2013;
8. the detailed compliance report to be filed with the Stock Exchanges prepared in conformity with the Scheme Circular.

**RESOLVED FURTHER THAT** the Board hereby, for the purpose of coordinating with the SEBI, in terms of the Scheme Circular, designate BSE Limited as the 'Designated Stock Exchange'; and

**RESOLVED FURTHER THAT** Mr. Nitin M Kantak, Whole-time Director, Mr. Muralidharan T M, Chief Financial Officer and Mr. Vighneshwar G Bhat, Company Secretary & Compliance Officer, be and are hereby jointly and severally authorised to take all actions and decide all matters relating to and/or incidental to the Scheme and/or necessary or desirable for giving effect to the Scheme, including but not limited to:

- (a) making any alterations, changes, or modifications to the Scheme, as may be expedient or necessary;
- (b) filing the Scheme and/ or any other information/ details/ documents (including any affidavits)/ instruments with the NCLT or any other body or regulatory authority or agency (including third parties) to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;
- (c) withdrawing the Scheme in accordance with the Scheme and / or the Merger Cooperation Agreement;
- (d) filing appropriate application(s), documents, petitions, filings, affidavits, letters or writings before the NCLT, or such other appropriate authorities seeking directions as to convening/ dispensing with the meeting of the shareholders / secured or unsecured creditors of the Company and, where necessary, to take steps to convene and hold such meetings as per the directions of the NCLT or such other appropriate authority;
- (e) filing any affidavits, petitions, pleadings, applications, orders, forms or reports before the NCLT, Stock Exchanges, CCI or any statutory or regulatory authority including the Registrar of Companies, as may be necessary, in connection with the Scheme and/or in connection with the sanction thereof, and to do all such acts, deeds or things as may be deemed necessary or desirable in connection therewith or incidental thereto;
- (f) signing all applications, affidavits, petitions, pleadings, documents, filings, letters or writings relating to the Scheme, and represent the Company before the NCLT, Stock Exchanges, CCI and any other regulatory authorities in relation to any matter pertaining to the Scheme or delegate such authority to any other person by a valid power of attorney;
- (g) engaging, dismissing or changing counsels, advocates, solicitors, valuers and other professionals in connection with the Scheme;





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- (h) signing and executing the vakalatnama wherever necessary, and signing and issuing public advertisements and notices in connection with the Scheme;
- (i) settling any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- (j) obtaining approval from the NCLT, Stock Exchanges, CCI and such other authorities and parties including the shareholders, creditors and lenders as may be considered necessary, for the approval and sanction of the Scheme;
- (k) incurring expenses as may be necessary to give effect to the Scheme, including payment of fees to attorneys, counsels and other expenses (such as stamp duty and other applicable taxes);
- (l) doing all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto; and
- (m) delegate all or any of the abovementioned powers to any other person;

**RESOLVED FURTHER THAT** any of the directors on the Board or Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required.”

“CERTIFIED TRUE COPY”

For Mangalore Chemicals & Fertilizers Limited

Vighneshwar G Bhat  
Company Secretary  
ACS: 16651



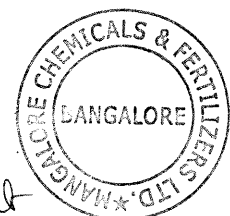
**Brief details of the Transferor Company and the Transferee Company**

Particulars	Paradeep Phosphates Limited (Transferee Company)	Mangalore Chemicals & Fertilizers Limited (Transferor Company)
Name of the company	Paradeep Phosphates Limited ("PPL").	Mangalore Chemicals & Fertilizers Limited ("MCFL")
Date of Incorporation & details of name changes, if any	PPL was incorporated on <b>December 24, 1981</b> under the Companies Act, 1956.	The Transferor Company was incorporated as Malabar Chemicals & Fertilizers Limited on June 18, 1966 under the Companies Act, 1956. Subsequently the name of the Transferor company was changed to Mangalore Chemicals & Fertilizers Limited on July 8, 1991.
Registered Office	5th Floor, Orissa State Handloom Weavers' Co-operative Building, Pandit J.N Marg, Bhubaneswar, Orissa, India, 751001	Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bangalore, Karnataka, India, 560001
Brief particulars of the scheme	<p>The composite scheme of arrangement by and amongst MCFL, PPL and their respective shareholders and creditors under Section 230 – 232 of the Companies Act, 2013 and other applicable law ("<b>Scheme</b>") provides, <i>inter alia</i>, for:</p> <p>(a) the amalgamation of the MCFL with and into PPL as a going concern, the issuance of equity shares by PPL to the shareholders of MCFL pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 in the manner provided for in this Scheme and in compliance with the Companies Act, 2013, the SEBI Scheme Circular (as defined in the Scheme), SEBI LODR Regulations (as defined in the Scheme) and Section 2 (1B) and other relevant provisions of the Income Tax Act, 1961;</p> <p>(b) the transfer of the Identified Shares (as defined in the Scheme) from the Transferor Shareholder (as defined in the Scheme) to the Transferee Shareholder (as defined in the Scheme); and</p> <p>(c) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of PPL.</p>	
Rationale for the scheme	<p>PPL and MCFL are of the view that: (a) the proposed amalgamation of MCFL with and into PPL; and (b) the Share Transfer (as defined in the Scheme) contemplated under the Scheme, would be to the benefit of the shareholders and creditors of MCFL and PPL and would, <i>inter alia</i>, have the following benefits:</p> <p>(a) The proposed amalgamation will enable MCFL and PPL to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India;</p> <p>(b) MCFL and PPL are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to the Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth;</p>	



Mangalore Chemicals  
& Fertilizers Limited

	<p>(c) The proposed amalgamation is expected to inter alia result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of MCFL and PPL, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of PPL; and</p> <p>(d) The proposed amalgamation is expected to create enhanced value for the stakeholders of MCFL and PPL.</p> <p>The Scheme also provides for the Share Transfer (as defined in the Scheme), which is proposed be undertaken as an integral part of the Scheme to ensure that the existing promoter of PPL continues to hold more than 50% (fifty percent) of the share capital of PPL upon the consummation of the Scheme, which shall ensure the continued control by the existing promoter of PPL. Therefore, the Share Transfer (as defined in the Scheme) is expected to expedite the overall benefits of the Scheme and create enhanced value for the stakeholders of both MCFL and PPL.</p>			
Date of resolution passed by the Board of Director of the company approving the scheme	February 7, 2024		February 7, 2024	
Date of meeting of the Audit Committee in which the draft scheme has been approved	February 7, 2024		February 7, 2024	
Appointed Date	The appointed date for the amalgamation of MCFL with and into PPL shall be April 01, 2024.			
Name of Exchanges where securities of the company are listed	<ul style="list-style-type: none"> <li>• BSE Limited</li> <li>• National Stock Exchange of India Ltd.</li> </ul>		<ul style="list-style-type: none"> <li>• BSE Limited</li> <li>• National Stock Exchange of India Ltd.</li> </ul>	
Nature of Business	PPL is engaged in the business of manufacture and sale of di-ammonium phosphate, complex fertilizers of NPK grades, urea, zymite (gypsum-based product) and trading of fertilizers, ammonia, phospho-gypsum, and other similar materials ancillary or incidental thereto.		MCFL is engaged in the business of manufacture, purchase, import and sale of fertilizers.	
Capital before the scheme (No. of equity shares as well as capital in rupees)	No. of equity shares issued	81,47,39,453	No. of equity shares issued	12,00,00,044
	Subscribed and fully paid-up value (in INR)	8,14,73,94,530	Subscribed and fully paid-up value* (in INR)	118,54,86,500
			*This includes the forfeited shares amounting to INR 3,35,000/-	

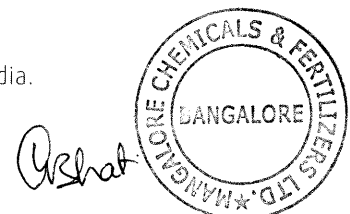






Mangalore Chemicals  
& Fertilizers Limited

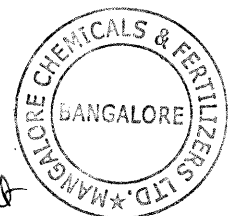
No. of shares to be issued	<b>187 (One Hundred and Eighty Seven)</b> fully paid-up equity shares of PPL having a face value of INR 10 each is to be issued <b>for every 100 (One Hundred)</b> fully paid-up equity shares of MCFL having face value of INR 10 each.					
Cancellation of shares on account of cross holding, if any	Not applicable		Not applicable			
Capital after the scheme (No. of equity shares as well as capital in rupees)	No. of equity shares	1,03,63,62,779		Not applicable		
	Equity share capital (in INR)	10,36,36,27,790				
Net Worth	(Rs. In crores)			(Rs. In crores)		
	Pre (As on September 30, 2023)	Standalone	3,436.20		Pre (As on September 30, 2023)	902.18  (This includes revaluation reserve amounting to INR 57.48 crores)
		Consolidated	3,435.72			
	Post	Standalone	5,142.70		Post	Not applicable
Consolidated		5,142.22				
Valuation independent Chartered Accountant – Name of the valuer/valuer firm and Regn no.	Joint valuation report issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475).					
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	<b>SSPA &amp; Co., Chartered Accountants</b>				(INR)	
	<b>Method of valuation</b>	<b>PPL</b>		<b>MCFL</b>		
		<b>Value per share</b>	<b>Weights</b>	<b>Value per share</b>	<b>Weights</b>	
	<b>Asset approach*</b>	N/A		N/A		
	<b>Income approach</b>					
	- Discounted cash flow method	78.07	50%	146.24	50%	
	<b>Market approach</b>					
	- Market price method	78.58	25%	138.72	25%	
	- Comparable companies multiple method	73.42	25%	144.80	25%	
	<b>Relative value per share</b>	<b>77.04</b>		<b>144.00</b>		
<b>Fair Equity Share Exchange</b>	<b>187:100</b>					
*Since, the business of PPL and MCFL are both intended to be continued on a 'going concern basis' and there is no intention to dispose off the assets, therefore the Asset (Cost) Approach is not adopted for the present valuation exercise.						





Mangalore Chemicals  
& Fertilizers Limited

<b>Pawan Shivkumar Poddar</b>									
(INR)									
Method of valuation	PPL				MCFL				
	Value per share		Weights		Value per share		Weights		
Asset approach <sup>#</sup>	N/A		N/A		N/A		N/A		
<b>Income approach</b>									
- Discounted cash flow method	78.10		50%		146.36		50%		
<b>Market approach</b>									
- Market price method	76.51		25%		132.87		25%		
- Comparable companies multiple method	73.61		25%		148.36		25%		
<b>Relative value per share</b>	<b>76.58</b>				<b>143.49</b>				
<b>Fair Equity Share Exchange</b>	<b>187:100</b>								
<sup>#</sup> In the present case both PPL and MCFL operate as a going concern and there is no intention to dispose the assets. In such a going concern scenario the relative earning power, as reflected under the income and market approaches is of greater importance for arriving at the value as compared to the value arrived on the Net Asset Value basis considering the realizable value of the assets recorded in the books. Accordingly, we have not adopted Net Asset Value method for valuing equity share of PPL and MCFL respectively.									
Fair value per shares	SSPA & Co., Chartered Accountants: Rs. 77.04				SSPA & Co., Chartered Accountants: Rs. 144				
	Pawan Shivkumar Poddar: Rs. 76.58				Pawan Shivkumar Poddar: Rs. 143.49				
Exchange ratio	187:100 (i.e., <b>187 (One Hundred and Eighty Seven)</b> fully paid-up equity shares of PPL having a face value of INR 10 each is to be issued <b>for every 100 (One Hundred)</b> fully paid-up equity shares held in MCFL having face value of INR 10 each.)								
Name of Merchant Banker giving fairness opinion	Inga Ventures Private Limited				Fedex Securities Private Limited				
Shareholding pattern	Pre		Post		Pre		Post		
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	
Promoter	45,69,42,507	56.08	58,89,54,219	56.83	7,18,51,686	60.63	N/A	N/A	
Public	35,77,96,946	43.92	44,74,08,560	43.17	4,66,63,464	39.37	N/A	N/A	
Custodian	0.00	0.00	0.00	0.00	0.00	0.00	N/A	N/A	





Mangalore Chemicals  
& Fertilizers Limited

<b>TOTAL</b>	<b>81,47,39,453</b>	<b>100.00</b>	<b>103,63,62,779</b>	<b>100.00</b>	<b>11,85,15,150</b>	<b>100.00</b>	<b>N/A</b>	<b>N/A</b>
No of shareholders	2,11,148 as on December 31,2023				53,254 as on December 31,2023			
Names of the Promoters (with PAN nos.)	Annexure 1				Annexure 3			
Names of the Board of Directors (with DIN and PAN nos.)	Annexure 2				Annexure 4			
Please specify relation among the companies involved in the scheme, if any	MCFL is a subsidiary of Zuari Agro Chemicals Limited ('ZACL'). PPL is a subsidiary of Zuari Maroc Phosphates Private Limited ('ZMPPL'). ZMPPL is a 50:50 joint venture company between ZACL and OCP, S.A.							
Details regarding change in management control in listed or resulting company seeking listing if any	There will be no change in the management control.							

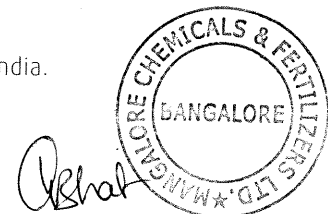
**Annexure 1:** Names of the Promoters (with PAN nos.) of PPL\*

Sr. No.	Name of the Promoter	Category	PAN
1.	Zuari Maroc Phosphates Private Limited	Promoter	AAACZ1716D

\*In the prospectus dated May 20, 2022, filed by Paradeep Phosphates Limited ("PPL") with the jurisdictional Registrar of Companies, the following entities were disclosed as promoters of PPL: (i) Zuari Maroc Phosphates Private Limited, Zuari Agro Chemicals Limited, OCP, SA and the President of India, acting through The Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India. However, as of this date, Zuari Agro Chemicals Limited, OCP, SA and the President of India, acting through The Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India do not hold any shares of PPL directly.

**Annexure 2:** Names of the Board of Directors (with DIN and PAN nos.) of PPL

Sr. No.	Name of the Director	DIN	PAN
1.	Saroj Kumar Poddar	00008654	AFTPP2386N
2.	Mr. N. Suresh Krishnan	00021965	AALPK2725K
3.	Mr. Mohamed Soual	08684762	HHKPM1350R
4.	Mr. Karim Lotfi Senhadji	09311876	BMJPL5674B
5.	Mr. Satyananda Mishra	01807198	ABFPM0609R
6.	Mr. Dipankar Chatterji	00031256	ACLPC0912G
7.	Mr. Subhrakant Panda	00171845	ADYPP5312K
8.	Rita Menon	00064714	AGBPM3708N



**Annexure 3:** Names of the Promoters (with PAN nos.) of MCFL

Sr. No.	Name of the Promoter	Category	PAN
1.	Shradha Agarwala	Promoter Group	ACTPA8806F
2.	Jyotsna Poddar	Promoter Group	AFGPP2539E
3.	Gaurav Agarwala	Promoter Group	AEHPA6396L
4.	Zuari Agro Chemicals Limited	Promoter	AAACZ3924H
5.	Adventz Finance Private Limited	Promoter Group	AABCB3016H
6.	Mcdowell Holdings Limited	Promoter	AAECM1162E
7.	Zuari Industries Limited	Promoter	AAACZ0306P
8.	United Breweries (Holdings) Limited	Promoter	AAACU2307D
9.	Kingfisher Finvest India Limited	Promoter	AABCV9224B
10.	Akshay Poddar	Promoter	AFUPP0096C

**Annexure 4:** Names of the Board of Directors (with DIN and PAN nos.) of MCFL

Sr. No.	Name of the Director	DIN	PAN
1.	Akshay Poddar	00008686	AFUPP0096C
2.	Nitin Manguesh Kantik	08029847	ADRPK2173L
3.	Doddaballapur Achutarao Prasanna	00253371	AAGPP4040F
4.	Marco Philippus Ardeshir Wadia	00244357	AAAPW3106D
5.	Mr. N. Suresh Krishnan	00021965	AALPK2725K
6.	Kiran Dhingra	00425602	AAGPD8412K

Yours sincerely,  
For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS16651  
Place: Bangalore  
Date: February 24, 2024



**Brief details of the Promoters and Board of Directors of the Transferee Company and the Transferor Company**

**1. Mangalore Chemicals & Fertilizers Limited (the “Transferor Company”)**

*The Transferor Company is a subsidiary of Zuari Agro Chemicals Limited, which belongs to the an Adventz Group, led by Chairman Saroj Kumar Poddar. Zuari Agro Chemicals Limited presently holds 54.03% of the equity share capital of the Transferor Company along with the other 7 promoters / members of the promoter group. Adventz group is an Indian conglomerate with global ambitions that participates in and contributes to India's economic growth and prosperity through transformational change, and has significant presence in agriculture, engineering & infrastructure, real estate, consumer durables and services which are the key drivers of the Indian economy.*

List of Promoters of the Transferor Company

Sr. No.	Name of the Promoter	Category	PAN
1.	Shradha Agarwala	Promoter Group	ACTPA8806F
2.	Jyotsna Poddar	Promoter Group	AFGPP2539E
3.	Gaurav Agarwala	Promoter Group	AEHPA6396L
4.	Zuari Agro Chemicals Limited	Promoter	AAACZ3924H
5.	Adventz Finance Private Limited	Promoter Group	AABCB3016H
6.	Mcdowell Holdings Limited	Promoter	AAECM1162E
7.	Zuari Industries Limited	Promoter	AAACZ0306P
8.	United Breweries (Holdings) Limited	Promoter	AAACU2307D
9.	Kingfisher Finvest India Limited	Promoter	AABCV9224B
10.	Akshay Poddar	Promoter	AFUPP0096C

Board of Directors of the Transferor Copany

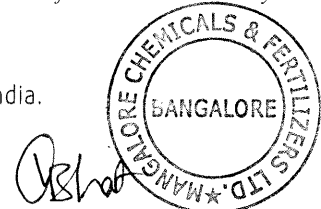
Sr. No.	Name of the Director	DIN	PAN
1.	Akshay Poddar	00008686	AFUPP0096C
2.	Nitin Manguesh Kantik	08029847	ADRPK2173L
3.	Doddaballapur Achutarao Prasanna	00253371	AAGPP4040F
4.	Marco Philippus Ardeshir Wadia	00244357	AAAPW3106D
5.	Mr. N. Suresh Krishnan	00021965	AALPK2725K
6.	Kiran Dhingra	00425602	AAGPD8412K

**2. Paradeep Phosphates Limited (the “Transferee Company”)**

List of Promoters of the Transferee Company\*

Sr. No.	Name of the Promoter	Category	PAN
1.	Zuari Maroc Phosphates Private Limited	Promoter	AAACZ1716D

*\*In the prospectus dated May 20, 2022, filed by Paradeep Phosphates Limited (“PPL”) with the jurisdictional Registrar of Companies, the following entities were disclosed as promoters of PPL: (i) Zuari Maroc Phosphates Private Limited, Zuari Agro Chemicals Limited, OCP, SA and the President of India, acting through The Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India. However, as of this date, Zuari Agro Chemicals Limited, OCP, SA and the President of India, acting through The Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India do not hold any shares of PPL directly.*



Board of Directors of the Transferee Company

Sr. No.	Name of the Director	DIN	PAN
1.	Mr. Saroj Kumar Poddar	00008654	AFTPP2386N
2.	Mr. N. Suresh Krishnan	00021965	AALPK2725K
3.	Mr. Mohamed Soual	08684762	HHKPM1350R
4.	Mr. Karim Lotfi Senhadji	09311876	BMJPL5674B
5.	Mr. Satyananda Mishra	01807198	ABFPM0609R
6.	Mr. Dipankar Chatterji	00031256	ACLPC0912G
7.	Mr. Subhrakant Panda	00171845	ADYPP5312K
8.	Mrs. Rita Menon	00064714	AGBPM3708N

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**



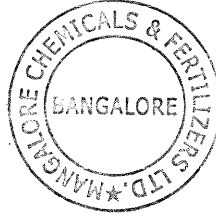
Vighneshwar G Bhat

Company Secretary

ACS16651

Place: Bangalore

Date: February 24, 2024



**PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

To,  
The Board of Directors,  
Mangalore Chemicals & Fertilizers Limited

**Independent Practitioner's Certificate on pre amalgamation net worth of Mangalore Chemicals & Fertilizers Limited ('the Company or the Transferor Company') as at September 30, 2023.****Introduction**

We have been requested by the Company to issue a certificate on the accompanying Statement of computation of pre amalgamation net worth of the Company as at September 30, 2023 and notes therein (the 'Statement'). The Statement contains the details as required pursuant to the requirement of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s), Regional Director, and Ministry of Corporate Affairs in connection with the draft Composite Scheme of Arrangement between the Paradeep Phosphates Limited (the 'Transferee Company'), Mangalore Chemicals & Fertilizers Limited (the 'Transferor Company'), the Company and their respective shareholders and creditors (hereinafter referred to as the 'Scheme') as approved by the Board of Directors of the Company in their meeting held on February 07, 2024, in terms of the provision of section 230 to 232 of the Companies Act, 2013 (the 'Act') and other provisions applicable, if any, of the Act.

**Management's Responsibility**

The responsibility for the preparation of the Statement in compliance with the relevant laws and regulations, including the Scheme, and statement of unaudited financial results for the quarter and half year ended September 30, 2023, is that of Board of Directors of the Company. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI circular, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the relevant National company Law Tribunal, the SEBI, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as 'the stock exchanges')

**Auditor's Responsibility**

Our responsibility is to provide a reasonable assurance whether,

- the amounts in the Statement that form part of the pre amalgamation net worth computation have been accurately extracted from the statement of unaudited financial results for the quarter and half year ended September 30, 2023; and
- the computation of pre amalgamation net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.



The unaudited financial results for the quarter ended September 30, 2023 and year to date from April 1, 2023 to September 30, 2023 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 30, 2023 and has been subjected to limited review by us.

We have performed the following procedures in respect to the Statement:

- a. The amounts in the computation of the pre amalgamation net worth of the Company have been traced from the statement of unaudited financial results for the quarter and half year ended September 30, 2023.
- b. We have verified that the computation of pre amalgamation net worth is arithmetically correct and is in accordance with the basis of computation as set out in the Statement.
- c. Obtained information and explanation given to us by the management of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India to the extent applicable. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform audits and reviews of historical financial information, and other assurance and related services engagements, issued by the Institute of Chartered Accountants of India.

### **Conclusion**

Based on our examination, according to the information and explanation and representations given to us by the Company's management, we are of the opinion that:

- a. the amount in the Statement that form part of the pre amalgamation net worth computation have been accurately extracted from the statement of unaudited financial results for the quarter and half year ended September 30, 2023.
- b. the computation of pre amalgamation net worth is arithmetically correct and is in accordance with the basis of computation as set out in the Statement.

### **Restriction to Use**

Our obligation in respect of this review report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditor of the company or otherwise. Nothing in this review report, nor anything said or done in the course of or in connection with the service that are the subject of this report, will extend any duty of care we may have in our capacity as auditor of the company.





This Certificate is issued at the request of the Company and is addressed to the Board of the Directors of the Company solely for the use of the management of the Company for the purpose of for onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s) and Regional Director, Ministry of Corporate Affairs to comply with the requirement of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and should not be used by any other person or for any other purpose. PKF Sridhar & Santhanam LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For PKF Sridhar & Santhanam LLP**  
**Chartered Accountants**

Firm Registration No. 003990S/S200018



**Seethalakshmi M**

Partner

Membership No. 208545

UDIN: 24208545BKAELR7378

Place: Bangalore

Date: 23<sup>rd</sup> February 2024

Encl: Statement of computation of pre amalgamation net worth of the Company as at September 30, 2023

**Statement of computation of pre amalgamation net worth of Mangalore Chemicals & Fertilizers Limited (the 'Company') as at September 30, 2023**

(Rs in Lakhs)

Particulars	Pre amalgamation net worth as at September 30, 2023	Post amalgamation provisional net worth
<b>1. Equity</b>		
-Equity Share capital	11,854.87	Not applicable since the Company cease to exist after amalgamation
<b>2. Other Equity</b>		
-Capital redemption reserve	480.78	
-General reserve	5,385.71	
-Retained earnings*	72,496.88	
<b>Total other equity</b>	<b>78,363.37</b>	
<b>Total Equity (1+2)</b>	<b>90,218.24</b>	

**Notes:**

For the purpose of above calculation, following definition of "net worth" has been considered:

"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the unaudited limited review balance sheet as on September 30, 2023.

\*Includes INR 5,747.61 Lakhs as at September 30, 2023, relating to revaluation of property, plant and equipment.



To,

The Board of Directors  
Paradeep Phosphates Limited  
5th Floor, Bayan Bhawan, Pandit J N Marg, Bhubaneswar-751001

**Independent Auditor's Certificate on pre and post amalgamation provisional consolidated net worth of Paradeep Phosphates Limited ('the Company or the Transferee Company') as at September 30, 2023.**

1. We have been requested by the Company having its registered office at the above-mentioned address vide engagement letter dated February 16, 2024 to issue a certificate on the accompanying Statement of computation of pre and post amalgamation provisional net worth of the Company as at September 30, 2023 and notes therein (the 'Statement'). The Statement contains the details as required pursuant to the requirement of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s), Regional Director, and Ministry of Corporate Affairs in connection with the draft Composite Scheme of Arrangement between the Mangalore Chemicals & Fertilizers Limited (the 'Transferor Company') and the Paradeep Phosphates Limited (the 'Transferee Company') and their respective shareholders and creditors (hereinafter referred to as the 'Scheme') as approved by the Board of Directors of the Company in their meeting held on February 7, 2024, in terms of the provision of section 230 to 232 of the Companies Act, 2013 (the 'Act') and other provisions applicable, if any, of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and circular issued thereunder.

**Management's Responsibility for the certificate**

2. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
3. The Management is responsible for ensuring that the Company complies with the provision of Sections 230 to 232 of the Act and other provisions applicable, if any, of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and circular issued thereunder.

**Auditor's Responsibility**

4. Pursuant to the requirement of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, our responsibility is to provide a reasonable assurance whether:

- a) the amounts in the Statement that form part of the pre and post amalgamation provisional net worth computation has been accurately extracted from the limited review consolidated financial statement of the Company as at and for the six months period ended September 30, 2023 and correctly determined considering the proposed accounting treatment, issuance of equity shares, and Share Exchange Ratio specified in the Scheme and per Independent Valuers' Report; and
  - b) the computation of pre and post amalgamation provisional net worth is arithmetically correct and is in accordance with the basis of computation as set out in the Statement.
5. In order to issue reasonable assurance, we have performed the following procedures in respect to the Statement:
- a) The amounts in the computation of the pre amalgamation net worth have been traced from the limited review consolidated financial statement of the Company obtained from the management as at and for the six months period ended September 30, 2023;
  - b) We have been provided by the Company's management with a copy of the Scheme dated February 7, 2024, proposed to be filed by the Transferee Company with the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange and Regional Director, Ministry of Corporate Affairs and we have read the same and noted the impact of the proposed accounting treatment specified in Section D Part II Clause 36 and the proposed issuance of equity shares, and Share Exchange Ratio specified in the Scheme. We have not performed any other procedures in this regard;
  - c) The amounts in the computation of the post amalgamation provisional net worth have been verified after considering the impact of:
    - the proposed issuance shares as specified in Section B Part II Clause 23 of the Scheme;
    - the proposed accounting treatment for Transferor Company specified in Section D of Part II Clause 36 of the Scheme;
    - the Share Exchange Ratio for Transferor Company specified in Section C Part II Clause 23 of the Scheme; and
    - Valuation Report issued by Independent Registered Valuers for Transferor Company dated February 7, 2024.
  - d) We have verified that the computation of pre and post amalgamation provisional consolidated net worth is arithmetically correct and is in accordance with the basis of computation as set out in the Statement.
  - e) Obtained information and explanation given to us by the management of the Company.
6. The limited review consolidated financial statements were not audited by us but were audited by another firm of Chartered Accountants.

7. We carried out our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes” (the ‘Guidance Note’) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

9. Based on our examination, according to the information and explanation and representations given to us by the Company’s management, we are of the opinion that:
  - a) the amount in the Statement that form part of the pre amalgamation net worth computation have been accurately extracted from the limited review consolidated financial statement of the Company as at and for the six months period ended September 30, 2023;
  - b) the amounts in the Statement that form part of the post amalgamation provisional net worth computation have been accurately extracted from the limited review consolidated financial statement of the Company as at and for the six months period ended September 30, 2023 and correctly determined considering the proposed accounting treatment, issuance of equity shares, and Share Exchange Ratio as per the Scheme and Valuation Report issued by Independent Registered Valuer; and
  - c) the computation of pre and post amalgamation provisional net worth is arithmetically correct and is in accordance with the basis of computation as set out in the Statement.

### **Emphasis of matter**

10. We draw attention to note a) of the Statement. The post amalgamation consolidated net worth of the Company as at September 30, 2023 calculated in the Statement is provisional and will undergo change on actual implementation of the Scheme on the effective date. Our opinion is not qualified in respect of this matter.

### **Restriction on Use**

11. This Certificate is issued at the request of the Company and is addressed to the Board of the Directors of the Company solely for the use of the management of the Company for the purpose of for onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock exchange(s), Regional Director, and Ministry of Corporate Affairs to comply with the requirement of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and should not be used by any other person or for any other purpose. P.C. Das and Co. shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.

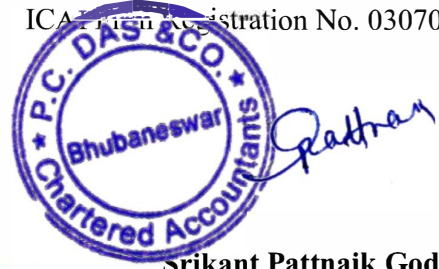




**P. C. DAS AND CO.**  
**CHARTERED ACCOUNTANTS**

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **P.C. Das and Co.**  
Chartered Accountants  
ICAI Firm Registration No. 0307063E



Place: Bhubaneswar  
Date: February 16, 2024

**Srikant Pattnaik Godaba**  
Partner  
Membership No. 068379  
UDIN: 24068379BKEGJE5573

Encl: Statement of computation of pre and post amalgamation provisional consolidated net worth of the Company and its subsidiaries as at September 30, 2023 and notes therein.



**Statement to the certificate dated February 16, 2024**

Computation of pre-amalgamation net worth and provisional post-amalgamation net worth of Paradeep Phosphates Limited ("the Company") pursuant to the Composite Scheme of Arrangement between Mangalore Chemicals & Fertilizers Limited and the Company (the "Scheme") as at September 30, 2023.

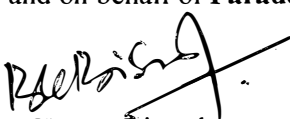
Amount in INR Crores

Sr. No.	Particulars	I Pre-amalgamation net worth	II Adjustments Refer Note a) and b) below	(I + II) Provisional Post-amalgamation net worth
1	Paid up Equity share capital (A)	814.74	221.62	1036.36
2	Other Equity (B)	2620.98	1484.88	4105.86
	<b>Total (A) + (B)</b>	<b>3435.72</b>	<b>1706.50</b>	<b>5142.22</b>

Notes:

- The Company has not performed a comprehensive fair valuation exercise for all the assets and liabilities of Mangalore Chemicals & Fertilizers Limited as required under Ind AS 103 – Business Combinations. Accordingly, the provisional post amalgamation net worth determined above will undergo change on the effective date of implementation of the scheme, on account of the profit/loss during the intervening period and accounting of the Scheme as per Ind AS 103 - Business Combinations. Further, any consequent adjustment to the financial statement of the Company subsequent to the amalgamation scheme being implement has not been considered in the computation.
- On amalgamation of Mangalore Chemicals & Fertilizers Limited, the Company will issue 187 fully paid-up equity shares of INR 10 each of the Company, for every 100 fully paid-up equity shares of INR 10 of the Mangalore Chemicals & Fertilizers Limited. This number will be updated when actual shares are issued.
- Net worth has been determined in accordance with Section 2(57) of the Companies Act, 2013. As per the section, net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the limited review balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

For and on behalf of **Paradeep Phosphates Limited**

  
Bijoy Kumar Biswal  
Chief Financial Officer  
February 16, 2024



**PARADEEP PHOSPHATES LIMITED**

CIN No. L24129OR1981PLC001020

Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751 001

Tel.: +0674 666 6100, Fax: +0674 239 2631

www.paradeepphosphates.com

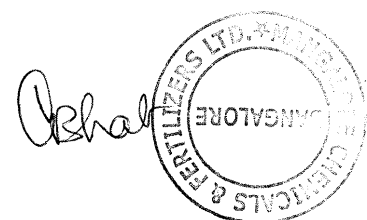


Mangalore Chemicals  
& Fertilizers Limited

## Annexure 17

### Details of Capital evolution of Paradeep Phosphates Limited (“Transferee Company”):

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
December 23, 1981	5	1,000	Initial subscribers to the MOA	5	No, the Company was a private company.
April 26, 1982	9,995	1,000	Preferential allotment	10,000	No, the Company was a private company.
August 5, 1982	36,300	1,000	Preferential allotment	46,300	No, the Company was a private company.
November 16, 1982	101,500	1,000	Preferential allotment	147,800	No, the Company was a private company.
December 7, 1982	76,900	1,000	Preferential allotment	224,700	No, the Company was a private company.
February 11, 1983	127,550	1,000	Preferential allotment	352,250	No, the Company was a private company.
June 10, 1983	53,650	1,000	Preferential allotment	405,900	No, the Company was a private company.
September 14, 1983	35,750	1,000	Preferential allotment	441,650	No, the Company was a private company.
January 11, 1984	150,000	1,000	Preferential allotment	591,650	No, the Company was a private company.
May 10, 1984	200,000	1,000	Preferential allotment	791,650	No, the Company was a private company.
September 3, 1984	208,440	1,000	Preferential allotment	1,000,090	No, the Company was a private company.
October 26, 1984	120,000	1,000	Preferential allotment	1,120,090	No, the Company was a private company.
June 14, 1985	79,000	1,000	Preferential allotment	1,199,090	No, the Company was a private company.
March 17, 1987	910	1,000	Preferential allotment	1,200,000	No, the Company was a private company.
March 31, 1994	900,000	1,000	Preferential allotment	2,100,000	No, the Company was a private company.
June 13, 1994	40,000	1,000	Preferential allotment	2,140,000	No, the Company was a private company.
June 17, 1999	50,000	1,000	Preferential allotment	2,190,000	No, the Company was a private company.
August 30, 2000	50,000	1,000	Preferential allotment	2,240,000	No, the Company was a private company.
February 24, 2001	45,000	1,000	Preferential allotment	2,285,000	No, the Company was a private company.



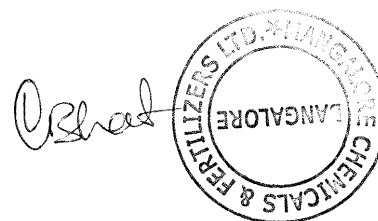




Mangalore Chemicals  
& Fertilizers Limited

June 26, 2001	15,000	1,000	Preferential allotment	2,300,000	No, the Company was a private company.
February 4, 2002	850,000	-	Allotment of equity shares pursuant to conversion of outstanding loan into equity share capital	3,150,000	No, the Company was a private company.
February 11, 2002	1,176,500	-	Allotment of equity shares pursuant to conversion of preference share capital into equity share capital	4,326,500	No, the Company was a private company.
September 30, 2002	357,000	1,000	Rights issue	4,683,500	No, the Company was an unlisted public company.
November 28, 2003	1,071,000	1,000	Rights issue	5,754,500	No, the Company was an unlisted public company.
	-	10	Split	575,450,000*	
May 24, 2022	239,047,619	42	Initial Public Offer	814,497,619	listed effective May 27, 2022
July 21, 2023	241834	42	ESOP	814,739,453	Listed effective August 17, 2023

*\*Pursuant to a resolution passed by the Shareholders in the EGM held on June 1, 2021, each equity share of the Transferee Company of face value of Rs. 1000 each was split into 100 Equity Shares of ₹ 10 each. Therefore, an aggregate of 5,754,500 issued and paid-up equity shares of face value of ₹ 1,000 each were split into 575,450,000 Equity Shares of face value of Rs. 10 each.*





Mangalore Chemicals  
& Fertilizers Limited

**Details of capital evolution of Mangalore Chemicals & Fertilizers Limited (“Transferor Company”):**

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
30.06.1972 to 08.10.1972	5,200,130	10	Initial Allotment	5,200,130	No, the Company was an unlisted public company.
08.01.1973	7,299,870	10	Initial Allotment	12,500,000	Listed entity
27.05.1989	7,150,491	10	Rights Issue	19,650,491	Listed entity
02.08.1989	104,500	10	Rights Issue	19,754,991	Listed entity
07.03.1990	325	10	Rights Issue	19,755,316	Listed entity
30.06.1990	6,984	10	Rights Issue	19,762,300	Listed entity
27.09.1990	10,000,000	10	Rights Issue	29,762,300	Listed entity
30.09.1990	30,000,000	10	Rights Issue	59,762,300	Listed entity
29.04.1991	22,563,690	10	Rights Issue	82,325,990	Listed entity
18.07.1991	34,565	10	Rights Issue	82,360,555	Listed entity
18.07.1991	23,870	10	Rights Issue	82,384,425	Listed entity
27.08.1991	2,000,000	10	Rights Issue	84,384,425	Listed entity
31.08.1992	14,210,577	10	Rights Issue	98,595,002	Listed entity
29.04.1994	48	10	Rights Issue	98,595,050	Listed entity
28.11.1994	60	10	Rights Issue	98,595,110	Listed entity
31.03.2001	20,000,000	10	Preferential allotment	118,595,110*	Listed entity

\*Till 1988-89, 79,960 shares were forfeited. Thereafter no change in the forfeited shares.

The Transferor Company got Listed at BSE Limited on 26.03.1973 and at NSE on 22.10.2007.

Thanking you,

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

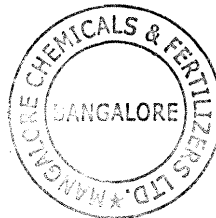
Vighneshwar G Bhat

Company Secretary

ACS16651

Place: Bangalore

Date: February 24, 2024





Mangalore Chemicals  
& Fertilizers Limited

Annexure 18

To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

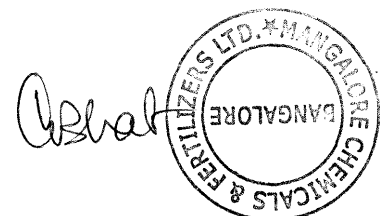
**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed composite scheme of arrangement by and amongst Mangalore Chemicals & Fertilizers Limited (the "Transferor Company"), Paradeep Phosphates Limited (the "Transferee Company") and their respective shareholders and creditors (the "Scheme")**

In connection with the above application, we hereby confirm that:

- a) The proposed Scheme to be presented to any court or tribunal does not in any way violate or override or circumscribe the provisions of the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, Securities Contract (Regulations) Rules, 1957, Reserve Bank of India Act, 1934, the Depositories Act, 1996, the Companies Act, 2013, the rules, regulations and guidelines made under these Acts, the provisions as explained in Regulation 11 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and the requirements of SEBI circulars and BSE Limited.
- b) In the explanatory statement to be forwarded by the Transferor Company to its shareholders under Section 230 of the Companies Act, 2013, it shall disclose:
  - i) the pre and post-arrangement (expected) capital structure and shareholding pattern.
  - ii) the "fairness opinion" obtained from an independent merchant banker on valuation of assets / shares done by the valuer for the Transferor Company.
  - iii) The complaint report as per Annexure VII of the BSE checklist.
  - iv) The observation letter issued by the stock exchanges.
- c) The draft Scheme together with all documents mentioned in Part – I(A)(8)(a) of master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India has been disseminated on Transferor Company's website as per website link given hereunder: <https://www.mangalorechemicals.com/>.





Mangalore Chemicals  
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- d) As per Clause 26 of the draft Scheme the fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the draft Scheme submitted to Securities and Exchange Board of India.
- e) The listed company will submit to the designated stock exchange, a report from its Audit Committee and the Independent Directors certifying that the listed company has compensated the eligible shareholders, within a period of 90 days from the date of allotment as per the draft scheme submitted to Securities and Exchange Board of India. Both the reports will be submitted within 7 days of compensating the shareholders.
- f) The Transferor Company will disclose the observation letter(s) of the stock exchange on its website within 24 hours of receiving the same.
- g) The Transferor Company will obtain shareholders' approval by way of special resolution passed through e-voting. Further, the Transferor Company will proceed with the draft Scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it.
- h) The documents filed by the Transferor Company with the stock exchange are same/ similar/ identical in all respect, which have been filled by the Transferor Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
- i) None of the promoters or directors of the Transferor Company or the Transferee Company is a fugitive economic offender.

Thanking you,

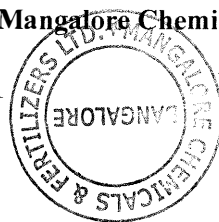
Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS16651

Place: Bangalore

Date: February 24, 2024





# ANNUAL REPORT 2022 - 23



<b>Directors</b>	:	Akshay Poddar, Chairman Nitin M Kantak, Whole-time Director D A Prasanna, Independent Director Marco Wadia, Independent Director N Suresh Krishnan, Director Kiran Dhingra, Independent Director
<b>Company Secretary</b>	:	Vijayamahantesh Khannur (upto 31.07.2023)
<b>Chief Financial Officer</b>	:	T M Muralidharan
<b>Bankers</b>	:	State Bank of India Union Bank of India Bank of India Punjab National Bank Axis Bank Limited Kotak Mahindra Bank Limited RBL Bank Limited IndusInd Bank Limited IDFC First Bank Limited ICICI Bank Limited IDBI Bank Limited
<b>Statutory Auditors</b>	:	PKF Sridhar & Santhanam LLP
<b>Cost Auditor</b>	:	Y. K. Venkatesh, Bengaluru
<b>Secretarial Auditor</b>	:	S. Kedarnath, Bengaluru
<b>Registered Office</b>	:	Level 11, UB Tower, UB City No. 24, Vittal Mallya Road Bengaluru – 560 001 Tel. No. 080-4585 5599 Fax No. 080-4585 5588 email : <a href="mailto:shares.mcf@adventz.com">shares.mcf@adventz.com</a> Website : <a href="http://www.mangalorechemicals.com">www.mangalorechemicals.com</a> CIN : L24123KA1966PLC002036
<b>Works</b>	:	Panambur, Mangaluru – 575 010 Tel. No. 0824-2220 600 Fax No. 0824-2407 938
<b>Share Transfer Agent</b>	:	Cameo Corporate Services Limited Subramanian Building No.1, Club House Road, Chennai – 600 002 Tel. No. 044-2846 0395, Fax No. 044-2846 0129 e-mail: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>

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## NOTICE

To  
**The Members,**

Notice is hereby given that the Fifty Sixth (56<sup>th</sup>) Annual General Meeting ("AGM") of the Members of Mangalore Chemicals & Fertilizers Limited ("the Company") will be held on **Tuesday, September 26, 2023 at 4.30 P.M (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2023, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Statutory Auditors.
2. To declare dividend on the equity shares for the financial year 2022-23.
3. To re-appoint Mr. Akshay Poddar (DIN: 00008686), who retires by rotation, and being eligible, offers himself for the re-appointment.

### SPECIAL BUSINESS

#### 4. **Appointment of Mrs. Kiran Dhingra (DIN:00425602) as an Independent Director**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149,150,152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mrs. Kiran Dhingra, (DIN: 00425602 DOB: 12/01/1953), in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, proposing her candidature for appointment as Director, be and is hereby appointed as Independent Director for a term of three (3) years from July 10, 2023 up to July 09, 2026, not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things and matters and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

#### 5. **Ratification of payment of remuneration to Cost Auditor**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of the Section 148 of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of INR 2,00,000/- (Rupees Two Lakhs only) exclusive of applicable tax and other statutory levies, if any, and reimbursement of actual expenses incurred on travel, accommodation and other out-of-pocket expenses to Mr. Y K Venkatesh, Cost Accountant (Membership Number 5294), for conducting audit of cost records of the Company for the financial year 2023-24, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors is authorized to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.

**By order of the Board of Directors**

Bengaluru  
August 07, 2023

**Nitin M Kantak**  
Whole-time Director  
DIN: 08029847

### NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") is annexed hereto. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the Director seeking re-appointment/appointment at the AGM, forms part of this Notice.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 (hereinafter collectively referred to as "MCA Circulars"). The AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.



3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shares), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & 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.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circulars and SEBI Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. The Notice of the 56<sup>th</sup> Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depository Participant(s) in accordance with the aforesaid MCA Circulars and circulars issued by SEBI dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023. The Notice calling the AGM and Annual Report for the financial year 2022-23 has been uploaded on the website of the Company at [www.mangalorechemicals.com](http://www.mangalorechemicals.com). The Notice and Annual Report for the financial year 2022-23 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars. Since the AGM will be held through VC/OAVM, the route map and attendance slip are not annexed in this Notice.
8. The Company's Registrar & Share Transfer Agents (RTA) are:  
Cameo Corporate Services Ltd.  
Subramanian Building, No. 1, Club House Road  
Chennai - 600 002, Tamil Nadu  
Tel: +91 44-2846 0390/95  
E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com)  
Website: [www.cameoindia.com](http://www.cameoindia.com)
9. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, the dividend amount remaining unclaimed/unpaid for a period of seven years from the due date of payment shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Pursuant to the provisions of Section 124(6) and Section 125 of the Companies Act, 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF within 30 days of they becoming due to be transferred.  
  
The members who have a claim on the above dividends and/ or shares may claim the same from the IEPF Authority by submitting an online application in web Form No. IEPF-5 which is available on the website of IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in) and by sending a physical copy of the same, duly signed by them to the Company, along with requisite documents enumerated in the Form IEPF-5.
10. The Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on March 31, 2022 on the website of the Company at [http://www.mangalorechemicals.com/investor/investor\\_unclaimed\\_unpaid\\_dividend](http://www.mangalorechemicals.com/investor/investor_unclaimed_unpaid_dividend) as well as on the website of IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in).

Following are the details of dividends declared by the Company and respective due dates for transfer of unclaimed dividend to IEPF.

Dividend year	Date of declaration of dividend	Due date for transfer to IEPF
31/03/2017	25/09/2017	30/10/2024
31/03/2018	06/09/2018	10/10/2025
31/03/2019	27/08/2019	29/09/2026
31/03/2020	15/09/2020	15/10/2027
31/03/2021	16/09/2021	21/10/2028
31/03/2022	13/09/2022	17/10/2029

11. Members who have neither received nor encashed their dividend warrant(s) in respect of the earlier years, are requested to make a request letter to the Company/RTA, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/ revalidated dividend warrant(s). As and when the amount is due, it will be transferred by the Company to Investor Education and Protection Fund. No claim thereof shall lie against the Company after such transfer.
12. Members are advised to avail the facility for receipt of future dividends through National Electronic Clearing Services (NECS). The ECS facility is available at specified locations. Shareholders holding shares in electronic form are requested to contact their respective Depository Participant for availing NECS facility. The Company or our RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates.

13. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA. A copy of such forms can be downloaded from the website of the Company at [http://www.mangalorechemicals.com/investor/investor\\_forms\\_format](http://www.mangalorechemicals.com/investor/investor_forms_format) or from the website of our RTA at <https://cameoindia.com/registry-and-share-transfer>. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP.
- In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.
14. As per Section 72 of the Act, the facility for submitting nomination is available for 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 SH-13. The form can be downloaded from the Company's website at [http://www.mangalorechemicals.com/investor/investor\\_forms\\_format](http://www.mangalorechemicals.com/investor/investor_forms_format). Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members on the website of the Company at [www.mangalorechemicals.com](http://www.mangalorechemicals.com) during the time of AGM.
16. To support the 'Green Initiative' taken by the Ministry of Corporate Affairs, to contribute towards the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with RTA if shares are held in physical mode or with the Depository Participant, if the shares are held in electronic mode.
17. On and from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form. In addition to that, as per the recent amendments to SEBI LODR effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal/Exchange of securities certificate; (d) Endorsement; (e) Sub-division/Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (g) Transmission and (h) Transposition.
- In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities, failing which the Company/RTA will credit the securities to the Suspense Escrow Demat Account of the Company.
18. Register of Members and Share Transfer Books will remain closed from September 20, 2023 to September 26, 2023 (both days inclusive) for the purpose of determination of members who are entitled to receive the dividend for the financial year 2022-23, if declared.
19. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	10%* or as notified by the Government of India
Members not having PAN/valid PAN	20% or as notified by the Government of India

\*As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under Section 206AB of the Finance Act, 2021.

\*As per Section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as prescribed under the IT Act.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during the current Financial Year does not exceed ₹5,000 and also in cases where members provide Form 15G/Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding of tax. PAN is mandatory for members providing Form 15G/15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%\*\* (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962.
- Copy of the Tax Residency Certificate for the current Financial Year obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders.
- Electronic Form 10F as per notification no. 03/2022 dated July 16, 2022 issued by the Central Board of Direct Tax [Notification can be read under notification-no-3-2022-systems.pdf ([incometaxindia.gov.in](https://www.incometaxindia.gov.in))]. Form 10F can be obtained electronically through the e-filing portal of the income tax website at <https://www.incometax.gov.in/iec/foportal>.
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable, duly attested by the shareholders.

In case of Foreign Institutional Investors (FII)/Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the IT Act at the rate of 20%\*\* (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

\*\*As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section. However, in case of a non-resident shareholder or a non-resident FPI/FII, the higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

The aforementioned documents are required to be sent to Company or to the Share Transfer Agent before September 25, 2023.

The resident shareholders can upload the above said Form on the registrar's website – <https://investors.cameoindia.com> or by emailing the same to [investor@cameoindia.com](mailto:investor@cameoindia.com) by September 25, 2023.

## 20. Voting Process:

### A. Process and manner for members opting to vote through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

### THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The remote e-voting period begins on September 22, 2023 at 10.00 AM (IST) and ends on September 25, 2023 at 5.00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 19, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing 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/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' 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 Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider 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.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 hold 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 Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<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. After Successful 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 Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website 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 above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	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 toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	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.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID;
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of MCFL.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.



(xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [sudhir.compsec@gmail.com](mailto:sudhir.compsec@gmail.com) and to the Company at the email address viz; [shares.mcfi@adventz.com](mailto:shares.mcfi@adventz.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email ID, mobile number at [shares.mcfi@adventz.com](mailto:shares.mcfi@adventz.com).
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending upon the availability of time.
9. Only those shareholders, who are present in the 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:**

1. For Physical shareholders- please provide necessary details like 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 Company at [shares.mcfi@adventz.com](mailto:shares.mcfi@adventz.com) / RTA at [investor@cameoindia.com](mailto:investor@cameoindia.com).
2. For Demat shareholders -, Please update your email ID & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

## **B. General instruction/information for Members for voting on the Resolutions:**

- a) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cut-off date, being September 19, 2023. The person who is not a member as on cut-off date should treat this notice for information purpose only. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off September 19, 2023, may please refer the voting instructions in the AGM Notice for remote e-voting/e-voting.
- b) Mr. Sudhir V Hulyalkar, Practicing Company Secretary (Membership No. FCS 6040 and CP No. 6137) has been appointed by the Board of Directors of the Company as the Scrutinizer for scrutinizing the remote e-voting process as well as voting during the meeting, in a fair and transparent manner.
- c) The Scrutinizer shall immediately after conclusion of the Annual General Meeting, shall count votes casted on the day of the meeting, thereafter unblock the votes cast through remote e-voting.
- d) The Scrutinizer will submit, within 2 working days of conclusion of the AGM, a consolidated scrutinizer's report, of the total votes cast in favour or against, if any, to the Chairman of AGM or any other Director or Company Secretary authorized by the Chairman of the AGM in writing who will countersign the same and declare the result of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office. The result will also be displayed on the website of the Company at [www.mangalorechemicals.com](http://www.mangalorechemicals.com), besides being communicated to Stock Exchanges.

### **EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

#### **Item No. 4: Appointment of Mrs. Kiran Dhingra (DIN: 00425602) as an Independent Director**

Based on the recommendation of Nomination and Remuneration Committee, the Board by resolution passed on July 10, 2023 approved the appointment of Mrs. Kiran Dhingra (DIN: 00425602) as an Additional Director in the category of Independent Directors for a term of three (3) years w.e.f. July 10, 2023, subject to the approval of the shareholders. A notice has been received in writing from a member under Section 160 of the Companies Act, 2013 proposing appointment of Mrs. Kiran Dhingra as an Independent Director of the Company. The Company has received in writing from Mrs. Kiran Dhingra (i) consent to act as Director of the Company; (ii) intimation to the effect that she is not disqualified from being appointed as Director in terms of Section 164(2) of the Act; and (iii) declaration that she meets the criteria of independence as specified under Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Nomination and Remuneration Committee and the Board, Mrs. Kiran Dhingra fulfils the conditions for appointment as Independent Director as specified in the Act, the Rules made thereunder and the Listing Regulations and she is independent of the management of the Company.

Mrs. Kiran Dhingra is interested in the resolution set out at Item No. 4 of the Notice. The relatives of Mrs. Kiran Dhingra may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment.

Accordingly, the consent of the members is sought by a Special Resolution for the item No. 4 of the Notice.

#### **Item No. 5: Ratification of payment of remuneration to Cost Auditor**

In accordance with the provisions of Section 148 of the Companies Act, 2013, and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board has approved the appointment of Mr. Y K Venkatesh, Cost Accountant (Membership Number 5294), as Cost Auditor of the Company for the financial year 2023-24 on a remuneration of INR 2,00,000/- (Rupees Two Lakhs only) exclusive of applicable tax and other statutory levies, if any, and reimbursement of actual expenses incurred on travel, accommodation and other out-of-pocket expenses.

Accordingly, consent of members is sought by an Ordinary Resolution for the remuneration payable to the Cost Auditor for the financial year 2023-24.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

### Details of the Director seeking re-appointment/appointment at the forthcoming Annual General Meeting.

Name of the Director	Mr. Akshay Poddar	Mrs. Kiran Dhingra				
Date of Birth	July 20, 1976	January 12, 1953				
Age	47	70				
Inter-se relationship with Directors of the Company	None	None				
Date of First Appointment	September 29, 2015	July 10, 2023				
Qualification	Master of Science in Leadership & Strategy from London Business School. Honors in Accounting and Finance from London School of Economics and Political Science, University of London.	Master's degree in English Literature from Meerut University. Retired IAS Officer of 1975 batch.				
Functional Expertise & Experience including brief resume.	Over 22 years of track record of promoting and managing businesses in diversified industries like fertilizers, agri-inputs, heavy engineering, sugar, consumer, products, real estate, investments and furniture etc.	Skilled in public policy, government administration, strategic planning, industrial development and management, she has several years of corporate experience. She has served as Chairman and Director on the Board of several Central Public Sector Undertakings, and supervised their functioning. She retired in the rank of Secretary to Government of India in 2013.				
In case of Independent Directors, Skills and capabilities required for the role	NA	She has over 30 years of experience in public policies, strategic planning, industrial development and management.				
Terms and Conditions of re-appointment	Re-appointment on retirement by rotation	As per Explanatory Statement				
Directorship held in other companies (excluding foreign companies & Section 8 companies) along with listed entities from which the person resigned in the past 3 years as on 31st March, 2023.	Adventz Securities Enterprises Ltd. Lionel Edwards Limited Lionel India Limited Texmaco Infrastructure & Holdings Ltd. Texmaco Rail & Engineering Ltd. ZuariAgro Chemicals Limited Gobind Sugar Mills Limited (Amalgamated) Simon India Limited ZuariFarmhub Limited Abhishek Holdings Pvt. Ltd. Adventz Finance Pvt. Ltd. Hettich India Private Ltd. TouaxTexmaco Railcar Leasing Pvt. Ltd. Adventz Homecare Pvt. Ltd. Hepo India Pvt. Limited Indian Chamber of Commerce Calcutta The Fertiliser Association of India	Goa Carbon Limited Astra Microwave Products Limited Stovec Industries Limited Indian Register of Shipping Paradeep Phosphates Limited Zuari Agro Chemicals Limited – ceased to be Director w.e.f. 01.04.2021				
Membership/Chairmanship of Committees of public Companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March, 2023	Company	Audit Committee	Stakeholders' Relationship Committee	Company	Audit Committee	Stakeholders' Relationship Committee
	Texmaco Infrastructure & Holdings Ltd.	Member	Member	Goa Carbon Limited	Member	Member
	Texmaco Rail & Engineering Ltd.	-	Chairman	Astra Microwave Products Limited	Member	-
				Paradeep Phosphates Limited	Member	Member
Shareholding in the Company, including shareholding as a beneficial owner.	14,02,431 equity shares			Nil		
Remuneration proposed to be paid	Sitting fee for attending Board and Committee Meetings and the remuneration as approved by the members in the Annual General Meeting held on September 16, 2021			Sitting fee for attending Board and Committee Meetings and the remuneration as approved by the members in the Annual General Meeting held on September 16, 2021		

For other details such as number of meetings of Board of Directors attended during the year and remuneration last drawn i.e. as on March 31, 2023, please refer to the Corporate Governance Report (Annexure 5) of Annual Report.

**By order of the Board of Directors**

Bengaluru  
August 07, 2023

**Nitin M Kantak**  
Whole-time Director  
DIN: 08029847



## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Fifty Sixth Annual Report of Mangalore Chemicals & Fertilizers Limited ("Company") together with the Audited Statement of Accounts for the financial year ended March 31, 2023.

### 1. FINANCIAL HIGHLIGHTS

(INR in crore)

	2022-23	2021-22
Revenue from operations	<b>3,641.52</b>	2,895.58
EBITDA	<b>340.08</b>	234.62
Finance Costs	<b>104.38</b>	49.40
Depreciation	<b>59.67</b>	50.56
Profit before tax	<b>176.03</b>	134.66
Tax expense	<b>41.37</b>	46.80
Profit after tax	<b>134.66</b>	87.86
Other Comprehensive Income/(Loss)	<b>(0.32)</b>	(0.20)
Total Comprehensive Income	<b>134.34</b>	87.66
Earnings Per Share (Basic & Diluted) INR	<b>11.36</b>	7.41
Net Worth	<b>803.19</b>	683.07

### 2. DIVIDEND

The Board of Directors recommended a dividend of INR 1.50 per equity share of INR 10 each. The Dividend Distribution Policy is available on the website of the Company i.e. [www.mangalorechemicals.com/investor/investor\\_dividenddistribution\\_policy](http://www.mangalorechemicals.com/investor/investor_dividenddistribution_policy)

### 3. REVIEW OF OPERATIONS

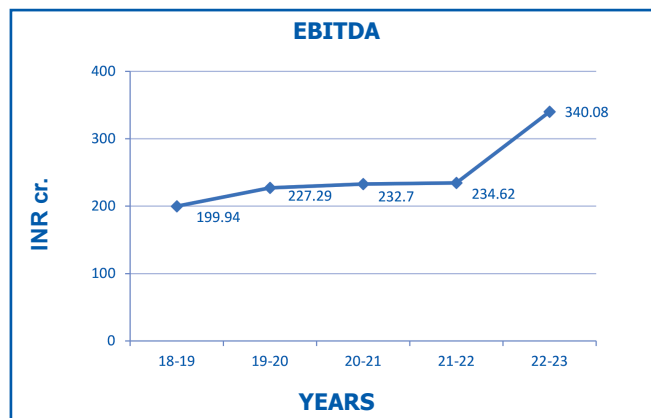
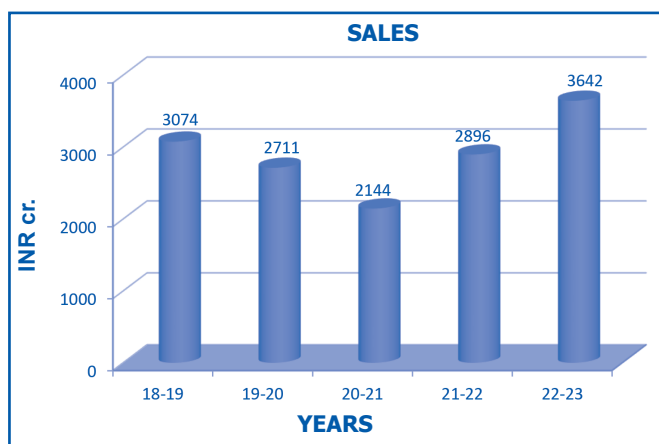
The revenue from operations for the year ended March 31, 2023 was INR 3,641.52 crore as compared to INR 2,895.58 crore for the year ended March 31, 2022.

The profit before tax for the year ended March 31, 2023 was INR 176.03 crore as compared to INR 134.66 crore for the year ended March 31, 2022. Total Comprehensive Income stood at INR 134.34 crore for the year ended March 31, 2023 compared to INR 87.66 crore for the previous year.

### 4. PRODUCTION

#### Urea

Your Company achieved production of 3,31,690 MTs during



the year against the reassessed capacity of 3,79,500 MTs on account of shutdown of urea plant for implementation of Energy Improvement Project in Ammonia Plant compared to 4,29,000 MTs during the previous year with necessary approval.

#### Di-Ammonium Phosphate (DAP) and Complex Fertilizers

Your Company produced 2,29,826 MTs of Phosphatic Fertilizers during the year compared to 2,51,854 MTs in the previous year, based on the availability of raw materials.

#### Ammonium Bi-Carbonate (ABC)

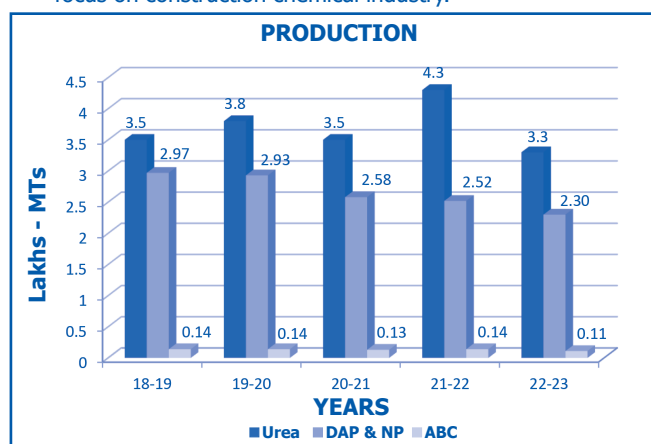
Production of ABC at 11,004 MTs during the year compared to 14,366 MTs in the previous year.

### 5. SALES

During the year, your Company sold 3,30,934 MTs of Urea compared to 4,31,110 MTs in the previous year. Sale of manufactured Phosphatic Fertilizers were 2,53,116 MTs compared to 2,39,959 MTs in the previous year. Sale of imported fertilizers were 30,180 MTs against 26,010 MTs in the previous year.

#### Sulphonated Naphthalene Formaldehyde (SNF)

The Company sold 17,081 MTs of SNF during the year, compared to 18,135 MTs in the previous year. The Company has continued with new product variants for applications in newer areas to improve plant utilization, in order to de-risk its focus on construction chemical industry.



### Agri Advisory Service

We provide a comprehensive range of Agri Advisory Services designed to educate and inform farmers and Agri input dealers on various topics, including fertilizer use efficiencies, integrated nutrient management, soil health and other agricultural techniques. To accomplish this, we regularly organize market development programs that cater to both farmers and dealers. These programs include our Farmer-Connect initiatives such as Soil Health Days, Farmers Meetings, Crop Seminars, Method Demonstrations, Field Days and Intensive Farmer Connect Programs. Additionally, we actively engage with rural school children through our "Mangala Raitha Prathibe" project, aiming to educate them about farming and modern agriculture, thereby inspiring them to pursue agriculture as a profession or develop a connection with the agricultural sector.

### 6. WORKING CAPITAL

The subsidy receivables increased during the year on account of escalation in commodity prices coupled with rupee depreciation. The estimated interest cost on account of delay in subsidy payment was INR 6.80 crore for the year 2022-23.

### 7. AMMONIA PLANT ENERGY IMPROVEMENT PROJECT

The ammonia plant is revamped based on KBR's design by technological upgradation, replacement of aged equipment with new generation high efficiency equipment, recovery of waste heat and optimization of steam usage. The revamp has also increased about 25% capacity in Ammonia production substituting the part of Company's ammonia import.

Erection, hook up and commissioning works of the project were carried out in the second quarter of the financial year during the plant shutdown. The Project was successfully completed and production was commenced in September 2022. The plant has completed more than 180 days of operation since completion of the project without major interruption as on 31<sup>st</sup> March 2023.

The revamp has considerably improved reliability of Ammonia plant by replacement of aging equipment.

Utility sections were also strengthened with addition of capacity to Nitrogen generation, Instrument Air Drying and Cooling water side stream filtrations. These initiatives have improved reliability of the section.

### 8. FERTILIZER POLICY

The writ petition filed by the Company before the Hon'ble High Court of Delhi (DHC) seeking remedy against some restrictive & discriminatory conditions imposed by the Notification No. 12018/4/2014-FPP dated June 17, 2015, was disposed since the GOI confirmed that the Company would be eligible for the benefits as are available to other manufacturers of Urea who have converted their manufacturing processes to gas based and are now utilizing gas for production of Urea.

The GOI issued Notification No.12012/1/2015-FPP dated March 28, 2018 confirming the availability of benefits to the Company for having converted its manufacturing process to gas based, on receipt & use of gas for production of Urea and continuation of existing policy till March 2020.

The Company has filed a writ petition against the DoF before DHC after its vain representations against arbitrary and discriminatory non extension of existed energy norms beyond March 2020 and bench marking the cost of production of Urea by using naphtha with that of gas price of fertilizer companies recently converted to natural gas.

The Nutrient Based Subsidy Scheme (NBS) was introduced by the GOI with effect from April 1, 2010 after de-controlling the DAP/complex fertilizers, where annual/bi-annual concession rates are announced leaving the market realization to reflect the fluctuations in respective commodity prices. However, the GOI is monitoring the market realization.

## 9. SAFETY, HEALTH, ENVIRONMENT AND POLLUTION CONTROL

### SAFETY

During the year, periodic audits of Safety, Health and Environment Management System were carried out by M/s DNV.

Your Company has taken measures to further strengthen safety systems inside the factory. Fixed Natural Gas leak detectors have been installed in areas of recently converted (Fuel Oil to Natural Gas) burners of Package Boiler and Dryer Combustion chamber in the DAP Plant and Standby auxiliary Boiler (IJT) in Ammonia Plant for early detection and alarm in case of any gas leaks. Addressable Fire Detection/Alarm system was extended to the Office area of Main Stores, New cable gallery in Captive Power Plant, Panel area in MPSS and New PLC room. 'Safe-Owl' – a new Fire & Safety Equipment Inspection software for logging the inspection data of various safety and firefighting equipment on an online platform – was implemented. This paperless initiative will improve the process of inspection and improves reliability.

Third party safety audit of the entire factory was carried out. Extensive training programs related to fire prevention and basic firefighting, usage of breathing apparatus, usage of personal protective equipment, emergency management, work permit system, Safety, Health and Environment management system, were organized for employees. Regular mock drills were also conducted to check the emergency preparedness. Promotional campaigns like National Safety Day, Fire Service Week and Chemical Disaster Prevention Week were undertaken.

Firefighting training is being conducted every Friday to train the employees and also contractors' workman.

MCF Team won First Prize in the State Level safety Quiz Competition organized by Department of Factories, Boilers, Industrial Safety and Health, Government of Karnataka.

### MEDICAL SERVICES

Annual medical examinations were conducted for all employees which included general physical examination, systemic examination and laboratory investigations and employees with abnormal findings were advised accordingly. Special tests like Pulmonary Function test, Audiometry and Vision test were also conducted for identified employees as per Statutory requirement. Health data of all the employees were recorded in Health Register-Form No. 16.

Medical examination of the canteen workers was conducted covering tests for any communicable diseases. Employees of Ammonium Bi-Carbonate Plant were examined for any communicable/skin diseases and were immunized against diseases like Hepatitis B and Tetanus as per schedule.

First aid training programmes were conducted for employees and contract workers regularly by Professional Faculty. Awareness programmes on "Health and Personal Hygiene" were conducted regularly for Canteen workers and ABC Plant employees. Training on proper usage of Spine Board and Splints in handling emergencies was conducted for the employees regularly.

Free Health Check-up camp was conducted for Loaders and Truck Drivers in association with Srinivasa Medical College Hospital, Mukka.

Blood donation camp was organized at factory in March 2023 in association with Indian Red-cross Society on occasion of Adventz Day.

COVID Vaccination camp was conducted in association with Primary Health Centre, Kulai and total 550 employees/Contract employees received Booster dose of the vaccine.

Free Eye Check-up camps were conducted at Krishnapura, near Surathkal and Ballamanja, near Belthangady in association with Justice K.S. Hegde Charitable Hospital and Artificial Limbs were distributed to 11 beneficiaries, both as part of CSR Activity.

### **ENVIRONMENTAL MANAGEMENT**

As an ISO 14001 certified Company, many environmental management programs have been implemented to improve the environmental performance of the Company.

The Company has changed its Feedstock and Fuel from Naphtha to cleaner Natural Gas which has significantly reduced Sulphur Dioxide emissions.

Your Company has achieved zero liquid discharge status in 2010 by upgrading its effluent and sewage treatment plants to recover and reuse the treated waters. The rainwater harvesting system and sewage treatment plants are already installed at township for employees. In addition to the existing 64 acres of green belt in manufacturing site, your Company has planted 2,000 saplings during 2022-23.

Environmental Management System (EMS) in line with the new version, ISO 14001:2015 was adopted during the year 2017 and was recertified by M/s Det Norske Veritas, Bangalore during the year 2020. Your Company has installed Continuous Ambient Air Quality Monitoring (CAAQM) station inside factory premises for continuous monitoring of ambient air quality. Ambient air quality data from CAAQM station is being displayed in LED display board at the entrance of the factory facing National highway for public information. Your Company has also installed Continuous Online Monitoring Systems in Urea prill tower, Di Ammonium Phosphate plant stack, Sulphuric Acid plant stack. Online analyser for NOx measurement in Captive Power Plant stacks and main plant Boiler stacks were installed and commissioned during the year 2020-21 as per the Central Pollution Control Board (CPCB) guidelines. All the on-line analysers are functioning and the data is being transmitted to CPCB continuously.

In-house Environment Laboratory at factory has been assessed and accredited in accordance with standard ISO/IEC 17025:2017 by National Accreditation Board for Testing and Calibration Laboratories (NABL). Lighting in the entire complex including hazardous area lighting has been now converted to LED lighting. Over 5,750 LED light fittings were installed over past three years with focus on reducing energy consumption. Installed "Solar water heater" for our Industrial canteen. The company has installed roof top solar PV plant of capacity 251.23 KWP. "E-waste Collection Facility" has been provided inside factory and also at MCF Township for collection and disposal of E-waste generated in a scientific manner. A Biogas plant is installed to generate cooking gas from canteen

food waste is operational and is contributing towards savings of natural resources. Company has installed Organic waste composting facility at its township to treat the wet waste generated in the colony houses.

The Company has registered itself with CPCB with respect to Plastic Waste Management Rule 2016 as Brand Owner and has engaged one Waste Management Agency for collection, transportation and recycling of the plastic waste generated in the market. The activity is completed for the year 2022-23 and will be continued for the year 2023-24.

The company has installed and commissioned highly efficient oxidizing biocide generating system based on most advanced technology available in market to produce Chlorine dioxide for treatment of circulating water of cooling tower, replacing the conventional generators. It has improved the circulating water quality further, reduced blow down quantity and hence generation of trade effluent.

### **Green Power**

Your Company has taken up initiative by commissioning Roof Top Solar Photo Voltaic System with a capacity of 251.23 kWp at plant in Mangalore in January 2019. During the year, 2,99,131 kWh and since commissioning, 13,27,556 kWh, of solar power was generated.

## **10. ANNUAL RETURN**

Annual Return referred to in Section 92(3) of the Companies Act, 2013 will be available on the website of the Company i.e. [www.mangalorechemicals.com/investor/annual\\_return](http://www.mangalorechemicals.com/investor/annual_return)

### **11. a) BOARD MEETINGS**

During the year, seven Board Meetings were held on May 17, 2022, July 07, 2022, August 01, 2022, November 03, 2022, January 12, 2023, January 30, 2023 and March 25, 2023. The details of the composition of the Board and attendance of the Directors at the Board Meetings, are provided in the Corporate Governance Report attached as Annexure 5.

### **b) AUDIT COMMITTEE**

During the year under review, five Audit Committee Meetings were held and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report attached as Annexure 5.

## **12. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- c) 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) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 13. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration of independence from the Independent Directors and the same have been noted by the Board of Directors in its meeting held on May 11, 2023.

### 14. DIRECTORS

Mr. Marco Philippos Ardeshir Wadia (DIN: 00244357) was appointed as Additional Director (Independent Director) with effect from May 13, 2022 and his appointment was approved by the shareholders through postal ballot on July 31, 2022 (last date of e-voting).

Mr. Shubhabrata Saha (DIN: 03036747) Managing Director, resigned from the services of the Company from the closing hours of November 03, 2022.

Mr. Nitin Manguesh Kantak (DIN: 08029847) was appointed as Whole-time Director of the Company for a term of 3 years with effect from November 03, 2022 to November 02, 2025 and his appointment was approved by the shareholders through postal ballot on December 30, 2022 (last date of e-voting).

Mr. Sabaleel Nandy (DIN: 08677564) was appointed as Additional Director (Non-Executive Director) with effect from November 03, 2022, his appointment was approved by the shareholders through postal ballot on December 30, 2022 (last date of e-voting) and resigned on March 25, 2023.

Mr. N Suresh Krishnan (DIN: 00021965) was appointed as Additional Director (Non-Executive Director) with effect from March 25, 2023.

Mr. Akshay Poddar (DIN: 00008686) Non-Executive Director and Chairman of the Company is retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

In the opinion of the Board of Directors, all the Independent Directors possess requisite expertise and experience on the roles, rights and responsibilities of Independent Directors.

### 15. DIRECTORS TRAINING & FAMILIARIZATION

The Company, in compliance with Regulation 25(7) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, formulates programs to familiarize new Independent Directors inducted on the Board with the Company, nature of the industry, business model and their roles and responsibilities.

### 16. PERFORMANCE EVALUATION

Pursuant to the provisions of the Section 134, 178 and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the following performance evaluations were carried out:

- a. Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;
- b. Performance evaluation of the Board, its committees and Independent Directors by the Board of Directors; and
- c. Performance evaluation of every Director by the Nomination and Remuneration Committee.

The evaluation process covered adequacy of the composition of the Board and its Committees, disclosure of information to the Board and Committees, performance of duties and obligations, governance parameters, participation of the members of the Board/Committees and fulfilment of independence criteria and maintaining independence from the management by the Independent Directors.

Based on the evaluation done by the Directors, the performance of the Board, its Committees and the Directors was satisfactory and the quality, quantity and timeliness of flow of information between the management and the Board was appreciable.

### 17. NOMINATION AND REMUNERATION POLICY

Based on the recommendation of the Nomination and Remuneration Committee, the Board has approved the Nomination and Remuneration Policy. The Nomination and Remuneration Policy provides for constitution & role of Nomination and Remuneration Committee, guidelines on procedure for appointment/removal of Director, Key Managerial Personnel or at Senior Management level, recommendation for remuneration, compensation and commission to be paid to the Managing Director/Whole-time Director/Non-Executive Directors and carrying out evaluation of performance of every Director and Key Managerial Personnel.

The Nomination and Remuneration Policy is placed on the website of the Company i.e. [www.mangalorechemicals.com/investor/investor\\_nomination\\_remuneration\\_policy](http://www.mangalorechemicals.com/investor/investor_nomination_remuneration_policy).

### 18. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

### 19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of the Companies Act, 2013 the Board of Directors have constituted a CSR Committee and also approved the CSR Policy.

#### Terms of Reference:

The CSR Committee formulates and recommends to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013. The Committee also recommends the amount of expenditure to be incurred on CSR activities and monitors the CSR Policy of the Company from time to time. Other terms of reference are given below;

- The Corporate Social Responsibility Committee shall meet atleast once in a financial year.
- The quorum for the meetings shall be at least 2 members.



- The Committee shall recommend the amount of expenditure to be incurred on the CSR activities on an annual basis.
- The Committee shall monitor & recommend to the Board changes to the Corporate Social Responsibility Policy from time to time.
- The Company Secretary shall act as the secretary of the CSR Committee.

During the year, the Committee met twice on May 17, 2022 and July 07, 2022. The attendance at the meeting was as follows:

Name of the member	Status	No. of meetings attended
Rita Menon	Chairperson	2
D A Prasanna	Member	2
Shubhabrata Saha\$	Member	2
Nitin M Kantak@	Member	-

\$ upto 03.11.2022, @ w.e.f. 03.11.2022

Based on the recommendation of the CSR Committee, the Company has formulated a comprehensive CSR policy. The detailed Annual Report on Company's CSR activities is furnished in Annexure 1 attached to this report.

## 20. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a vigil mechanism through Whistle Blower Policy and the Audit Committee of the Company is responsible to review periodically the efficient and effective functioning of the vigil mechanism, to deal with instances of fraud and mismanagement and suspected violations of the Company's Code of Business Conduct and Ethics, if any.

The Whistle Blower Policy provides for adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Whistle Blower Policy is placed on the website of the Company i.e., [www.mangalorechemicals.com/investor/investor\\_whistle\\_blower\\_policy](http://www.mangalorechemicals.com/investor/investor_whistle_blower_policy).

## 21. RISK MANAGEMENT

The Company has the requisite processes and procedures in place to identify and assist in minimizing exposure to risk that threaten the existence of the Company. Based on the recommendation of the Risk Management Committee, the Board has put in place a risk management policy to monitor and review potential risks.

The heads of departments regularly review and assess the departmental policies/procedures and identify risks, perform analysis of the frequency and severity of potential risks, select the best techniques to manage risk, implement appropriate risk management techniques and monitor, evaluate and document results.

## 22. LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013 during the year. The details of the investments made by Company are given in the notes to the financial statements.

## 23. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the year were at arm's length. All related party transactions were approved by the Audit Committee and the Board of Directors.

The details of related party transactions as per Form AOC-2 is enclosed as Annexure 2 to the Directors' Report. There were no related party transactions made by the Company with the Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

## 24. DEPOSITS

The Company has not accepted any deposits in the past or during the year.

## 25. STATUTORY AUDIT

The Statutory Auditors, M/s PKF Sridhar & Santhanam LLP, were appointed to hold office from the conclusion of 55<sup>th</sup> Annual General Meeting till the conclusion of 60<sup>th</sup> Annual General Meeting of the Company.

## 26. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company re-appointed Mr. S Kedarnath, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year 2022-23. The Secretarial Audit report is annexed herewith as Annexure 3.

## 27. COST RECORDS & COST AUDIT

The Company is required to maintain cost records as per Section 148(1) of the Companies Act, 2013, and accordingly such accounts & records are made and maintained. The Company appointed Mr. Y K Venkatesh, Cost Accountant, Membership No. 5294, as the Cost Auditor for the year 2022-23. The Cost Audit Report for the year ended March 31, 2022 was filed by the Company with the Ministry of Corporate Affairs on August 04, 2022.

## 28. AUDITORS' REPORT

There were no qualifications, reservations or adverse remarks made by the Statutory Auditor, Secretarial Auditor and Cost Auditor in their respective reports. No frauds have been reported by the Auditors during the year.

## 29. MATERIAL CHANGES & COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## 30. SIGNIFICANT & MATERIAL ORDERS

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## 31. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. The Company has designed and put in place adequate Standard Operating Procedures and Limits of Authority Manuals for conduct of its business, including adherence to Company's policies, safeguarding its assets, prevention and detection of fraud and errors, accuracy and

completeness of accounting records and timely preparation of reliable financial information.

These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. The Company uses a state-of-the-art ERP (SAP) system to record data for accounting and managing information with adequate security procedure and controls.

### **32. COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### **33. DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013**

Details pursuant to 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 employees of the Company, shall form part of this report. However, in terms of Section 136 of the Companies Act, 2013, this report is being sent to all the members of the Company excluding the aforesaid information. The said particulars are available for inspection by the Members at the Registered Office of the Company.

### **34. DISCLOSURE AS PER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint has been filed or pending before the Committee during the year.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 4 attached to this report.

### **36. OTHER DISCLOSURES UNDER RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

No application was made or any proceedings filed against the Company under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2022-23. The Company has not given any Loans and advances in the nature of loans to firms/ companies in which Directors are interested. There were no one time settlement against any of the loan availed by the Company from the Banks or Financial Institutions during the Financial Year 2022-23.

### **37. CORPORATE GOVERNANCE**

The Company is committed to good corporate governance practices. The Board endeavors to adhere to the standards set out by the Securities and Exchange Board of India (SEBI) on corporate governance practices and accordingly has implemented all the mandatory stipulations.

A detailed Corporate Governance Report in line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the corporate governance practices followed by the Company and the certificate from Practicing Company Secretary relating to compliance of mandatory requirements along with Management Discussion and Analysis report are given as Annexure 5 and 6 respectively. A statement regarding opinion of the Board, with regard to integrity, expertise and experience (including proficiency) of the Independent Directors appointed during the year is given in Corporate Governance Report annexed as Annexure 5.

### **38. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Pursuant to amended Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the top 1000 listed companies based on market capitalization calculated as on March 31 of every financial year, need to prepare Business Responsibility and Sustainability Report in the format as specified by SEBI vide its circular dated May 10, 2021. Accordingly, your Company being one of the top 1000 listed companies based on market capitalization as on March 31, 2023, has prepared business responsibility and sustainability report which is annexed as Annexure 7.

### **39. ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation for the guidance and advice given by Mr. Shubhabrata Saha and Mr. Sabaleel Nandy.

Your Directors thank the Company's clients, vendors, investors and bankers for their support. Your Directors also wish to place on record their appreciation of the excellent performance of the employees.

Your Directors express their gratitude to the Government of India, the State Governments, the Customs and Excise Departments and other government agencies for their support and look forward to their continued support in the future.

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

**Akshay Poddar**  
Chairman  
DIN: 00008686

May 11, 2023

**ANNUAL REPORT ON CSR ACTIVITIES**

- Brief outline on CSR Policy of the Company:  
Corporate Social Responsibility Policy (CSR Policy) of Mangalore Chemicals & Fertilizers Limited (MCFL) encompasses the Company's philosophy to discharge its social responsibility in the up-liftment/development of the communities in its operating territory and mechanism for undertaking CSR activities/projects/programs with reference to provisions and Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR policy of the Company provides for following areas of focus and activities:

Focus Area	Activities
Promoting special education	Mangala Raitha Pratibhe
Promoting gender equality, empowering women	Sarwamangala Project
Promoting health care including preventive health	Health and Education of Migrants & Underprivileged Communities
Promoting education	Mangala Akshara Mitra
To improve livelihoods, drinking water, health & sanitation in rural area	Rural Development Projects

- 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	Rita Menon	Chairperson	2	2
2	D A Prasanna	Member	2	2
3	Shubhabrata Saha\$	Member	2	2
4	Nitin M Kantak@	Member	NA	NA

\$ upto 03.11.2022, @ w.e.f. 03.11.2022

- 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: <https://www.mangalorechemicals.com>
- Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable
- (a) Average net profit of the Company as per sub-section (5) of Section 135: INR 10,485.25 lakh  
(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: INR 209.71 lakh  
(c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil  
(d) Amount required to be set off for the Financial Year, if any: Nil  
(e) Total CSR obligation for the Financial Year [(b)+(c)-(d)]: INR 209.71 lakh
- (a) Amount spent on CSR projects (both ongoing project and other than ongoing project):

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount allocated for the project (INR in lakh)	(7) Mode of Implementation – Direct (Yes/No)	(8) Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Mangala Raitha Pratibhe	Promoting special education and employment enhancing vocation skills	Yes	Karnataka	Bellary, Raichur Dakshina Kannada	22.70	Yes	Not applicable	
2	Sarwamangala Project	Promoting gender equality, empowering women	Yes	Karnataka	Bellary, Raichur	3.22	Yes	Not applicable	

(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 allocated for the project (INR in lakh)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
3	Mangala Akshara Mitra	Promoting education	Yes	Karnataka	Bellary, Raichur, Dakshina Kannada	91.08	Yes	Not applicable	
4	Health and Education of Migrants & Underprivileged Communities	promoting health care including preventive health	Yes	Karnataka	Dakshina Kannada	4.57	Yes	Not applicable	
5	Rural Development Projects	To improve livelihoods, drinking water, health & sanitation in rural area	Yes	Karnataka	Dakshina Kannada	88.43	Yes	Not applicable	
Total						210.00			

- (b) Amount spent in Administrative Overheads: Nil  
(c) Amount spent on Impact Assessment, if applicable: Not applicable  
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: INR 210.00 lakh  
(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,09,99,643	Nil				

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in INR)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) Section 135	209.71 lakh
(ii)	Total amount spent for the Financial Year	210.00 lakh
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.29 lakh
(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)]	0.29 lakh

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial Years: Not applicable

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in INR)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in INR)	Amount Spent in The Financial Year (in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Amount (in INR)	Date of transfer		
Nil								



8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

If Yes, enter the number of capital assets created/acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the Property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if Applicable	Name	Registered address
Nil							

(All the fields should be captured as appearing in the revenue record, flat no., house no., Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per as per sub-section (5) of Section 135: Not applicable

**Nitin M Kantak**  
Whole-time Director  
DIN: 08029847

**Rita Menon**  
Chairperson, CSR Committee  
DIN: 00064714

**Annexure 2**

**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 third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which were not at arm's length basis during the year ended March 31, 2023.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

There were no material contracts/arrangements or transactions entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013. However, the Company has entered into transactions with related parties at arm's length, the details of which are given in the notes to financial statements.

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

**Akshay Poddar**

Chairman

DIN: 00008686

May 11, 2023

**MCF**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023**

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

To,  
The Members,  
Mangalore Chemicals and Fertilizers Limited,  
Bengaluru – 560 001

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Mangalore Chemicals and Fertilizers Limited having CIN: L24123KA1966PLC002036** (herein after called the company). Secretarial Audit was conducted in a manner that provided us the reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's 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 our opinion the Company has, during the audit period covering the Financial year ended on 31<sup>st</sup> March 2023, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March 2023, 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 there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and regulations made there under 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- d) SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. (LODR Regulations) including the requirements with regard to the disclosure of information on Company's website and other disclosure and reporting requirements to the Stock Exchanges during the Financial Year.

There were no occasions during the financial year requiring specific compliance under the provisions of the following Regulations and Guidelines:

- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended till date;
- f) The Securities and Exchange Board of India (Share Based Employees Benefits and Swear Equity) Regulations, 2021, as amended till date;
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended till date;
- h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; and
- i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended till date.

VI. We further report that based on the information and explanations, and the records maintained, the Company has, in our opinion, complied with the provisions of:

**1. Industry Specific Laws**

- a) The Fertilizers (Control) Order, 1985
- b) The Fertilizers (Movement Control) Order, 1973
- c) Essential Commodities Act, 1955
- d) The Competition Act, 2002
- e) The Environment (Protection) Act, 1986
- f) The Water (Prevention and Control of Pollution) Act, 1974
- g) The Air (Prevention and Control of Pollution) Act, 1981
- h) The Hazardous Waste (Management and Handling) Rules, 1989
- i) Legal Metrology Act, 2009
- j) Prevention of Food Adulteration Act, 1954 read with Rules made thereunder

**2. General Laws**

- k) Industrial and Labour laws as applicable to the Company
- l) The Factories Act, 1948
- m) Indian Boilers Act, 1923
- n) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with respect to:

- (i) The Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs and report that the Company has generally complied with the said Standards.
- (ii) The Listing Agreement/s entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited (NSE) read with the SEBI (LODR) Regulations, 2015:

and report that the Company has generally complied with the same.

We further report that during the said Financial Year, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned in the foregoing paragraphs.

We 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 was given to all the Directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda was 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. Sub committees of Board reconstituted during the financial year by following necessary provisions governing the same. Majority decisions were carried through by the Board at its meetings and minutes of meetings are self-explanatory with regard to dissenting member's views, if any.

We further report that the Company has developed and implemented adequate systems and processes, commensurate with its size and operations, to effectively monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There are also processes and adequate procedures in place for minimizing exposure to risks which may threaten the very existence of the Company. The Company has generally complied with the requirements of the provisions governing Corporate Social Responsibility.

We further report that during the Financial Year there were no significant events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**Place : Bengaluru** **S. Kedarnath**  
**Date : 03<sup>rd</sup> May, 2023** **Company Secretary**  
**UDIN : F003031E000243227** **CP No: 4422, M No: 3031**

*Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.*

**'ANNEXURE-A'**

To,  
The Members,  
Mangalore Chemicals and Fertilizers Limited,  
Bengaluru – 560 001

My report (2022-23) of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of any of the financial records and Books of Accounts of the Company including the records pertaining to Goods and Service Taxes, Income Tax, Customs and other related enactments applicable to the Company.
4. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**Place : Bengaluru** **S. Kedarnath**  
**Date : 03<sup>rd</sup> May, 2023** **Company Secretary**  
**UDIN : F003031E000243227** **CP No: 4422, M No: 3031**

**Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo**

**Conservation of Energy**

**A. Power and Fuel Consumption**

Sl. No.	Description	Unit	Current Year 2022-23	Previous Year 2021-22
<b>1.</b>	<b>Electricity</b>			
	<b>A. Purchased Units</b>	Lakh kWh	163.47	151.21
	Total amount (Including minimum demand charges)	INR lakh	1,451.25	1,310.53
	Minimum demand charges	INR lakh	190.28	171.36
	Unit rate: (Excluding minimum demand charges)	INR/kWh	7.71	7.53
	<b>B. Own Generation</b>			
	B.1 Through Generator Units	Lakh kWh (net)	1,703.34	2,986.99
	Units per MMBTU of natural gas	kWh/MMBTU	103.68	101.73
	Unit cost (average)	INR/kWh	17.97	12.28
	B.2 Solar Power Generation	Lakh kWh (net)	2.99	3.17
<b>2.</b>	<b>Natural Gas (for power)</b>	MMBTU(G)	16,43,184.628	29,36,283.021
	Total amount	INR lakh	26,148.04	30,829.43
	Average rate	INR/MMBTU(G)	1,591.30	1,049.95

**B. Consumption per unit of production**

Products	Unit	Current Year 2022-23	Previous Year 2021-22
<b>Electricity (per metric ton)</b>			
- Urea	kWh	506.35	692.18
- DAP	kWh	46.22	47.23
- 20:20:00:13	kWh	42.94	39.04
<b>Natural gas for steam</b>	MMBTU/G/t of urea	2.203	1.217
<b>Fuel (NG &amp; FO) Consumption (per metric ton)</b>			
- DAP/ 20:20:00:13	Gcal/t	0.045	0.083

**Technology absorption, adaptation and innovation**

- Efforts, in brief, made towards technology absorption, adaptation and innovation : Under Ammonia Plant revamp & Utility capacity augmentation, (i) New Syngas Compressor of higher efficiency and with dry gas seal, (ii) Low Energy CO<sub>2</sub> stripping process, (iii) Plate Heat exchanger type Combustion air heaters etc. are installed.  
  
New and replaced heat exchangers are designed with tube side cooling water for ease of cleaning.  
  
PSA type nitrogen plant, Energy Efficient Instrument air dryers are installed.
- Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution : Reduction in specific energy consumption & Cost of Ammonia/Urea production.
- In case of imported technology following information may be furnished. : 1. Syngas Compressor was imported from Baker Hughes, Italy.  
2. CO<sub>2</sub> removal section was revamped with GV Process, Italy.

**Foreign Exchange earnings and outgo during 2022-23**

Foreign Exchange earned : INR 0.08 crore  
Foreign Exchange used : INR 1,576.87 crore

## Annexure 5

### Corporate Governance Report

#### 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The philosophy of the Company on Corporate Governance is aimed at safeguarding and adding value to the interests of various stakeholders and envisages attainment of the highest levels of transparency and accountability in all areas of its operations and interactions with its stakeholders.

#### 2. BOARD OF DIRECTORS

The Board of Directors with an optimum combination of Executive, Non-Executive and Independent Directors meets at regular intervals.

During the year, seven Board Meetings were held on May 17, 2022, July 07, 2022, August 01, 2022, November 03, 2022, January 12, 2023, January 30, 2023 and March 25, 2023.

Attendance of each Director at the Board of Directors' meetings and at the previous Annual General Meeting along with the number of other companies and committees where the Director is a Chairman/Member is given hereunder:

Name of Director	Category <sup>^</sup>	Skills/expertise/competence	No. of Directorships in other companies <sup>+</sup> as on 31.03.2023	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies <sup>++</sup> as on 31.03.2023		Directorship in other Listed entity	
							Chairman	Member	Name	Category <sup>^</sup>
Akshay Poddar	Promoter/Chairman/NED	Honors in Accounting and Finance from London School of Economics and Political Science, University of London. Promoting and managing businesses in diversified industries like fertilizers, agri-inputs, heavy engineering, sugar, consumer products, real estate, investments and furniture etc.	16	07	14,02,431	Yes	01	02	Adventz Securities Enterprises Ltd.	NED
									Texmaco Infrastructure & Holdings Ltd.	NED
									Texmaco Rail & Engineering Ltd.	NED
									Zuari Agro Chemicals Ltd.	NED
Shubhabrata Saha@	MD	MBA (NMIMS) & BE (Electrical), has extensive experience (over 30 years) with deep understanding of critical business drivers in both consumer and industrial sectors.	NA	04	NA	Yes	NA	NA	NA	NA
Nitin M Kantak#	WTD	Chemical Engineer from Institute of Chemical Technology (Formerly UDCT), Mumbai. He has 40 years of experience in Nitrogenous and Phosphatic fertilizer industry in Plant Operations, Project Management & Commissioning, Process Engineering, and Technical Services.	04	07	500	Yes	-	01	Zuari Agro Chemicals Ltd.	ED

Name of Director	Category <sup>^</sup>	Skills/expertise/competence	No. of Directorships in other companies <sup>+</sup> as on 31.03.2023	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies <sup>++</sup> as on 31.03.2023		Directorship in other Listed entity	
							Chairman	Member	Name	Category <sup>^</sup>
D A Prasanna	ID	BE (Mechanical) from The National Institute of Engineering, Mysore, MBA from IIM, Ahmedabad. has served in executive positions for over 33 years, most of it as CEO, MD, Executive Chairman and grown companies to leadership position in Information Technology, Healthcare, Education and Life Science sectors.	03	07	11,150	Yes	-	01	-	-
Rita Menon	ID	MA (Economics) from Delhi School of Economics, a retired IAS officer of 1975 batch. In her career as IAS officer she has held various positions from Joint Secretary to Secretary at various Central Ministries. Held directorships at various central and private sector undertakings.	01	07	Nil	Yes	01	01	Chambal Fertilisers and Chemicals Ltd.	ID
Dipankar Chatterji \$	ID	Chartered Accountant by profession and is a senior partner in L B Jha & Co., Chartered Accountants, who are engaged in Consultancy, Audit and Assurance, or Tax and other Compliance Services. He is Vice-President of one of the top 10 B Schools in the country. He was appointed by RBI as a member of the Padmanabhan Committee set up to review RBI's supervision over Banks. He was a member of the Central Council of the Institute of Chartered Accountants of India and Chairman of the Auditing Practices Committee of the Institute of Chartered Accountants of India.	NA	NA	NA	NA	NA	NA	NA	NA



Name of Director	Category <sup>^</sup>	Skills/expertise/competence	No. of Directorships in other companies <sup>+</sup> as on 31.03.2023	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies <sup>++</sup> as on 31.03.2023		Directorship in other Listed entity	
							Chairman	Member	Name	Category <sup>^</sup>
Marco Philippus Ardeshir Wadia %	ID	Bachelor's degree in law from Bombay University. He has over 30 years of experience in the legal profession having specialised in corporate matters and mergers and acquisitions.	09	07	Nil	Yes	-	01	Josts Engineering Company Ltd.	ID
									Stovec Industries Ltd.	ID
Sabaleel Nandy !	NED	Bachelor's degree in technology (civil engineering) from Indian Institute of Technology, Kharagpur and a post-graduate diploma in management from Indian Institute of Management, Lucknow. He is a global leader with proven success at companies such as TATA Group, Zuari Agro Chemicals, and Paradeep Phosphates. He has over two decades of experience in chemicals and fertilizers, having spent 18 years in Tata group companies such as TATA Motors, TATA Sons, and TATA Chemicals.	NA	02	NA	NA	NA	NA	NA	NA
N Suresh Krishnan &	NED	B.E. (Hons.) & M.Sc. from BITS (Pilani), 32 years of corporate experience in fertilizer, energy and cement sectors and has been widely acknowledged for his leadership, vision and commitment. His experience spans corporate finance, corporate strategy, projects planning, operations and business development.	03	NIL	1000	NA	-	01	Paradeep Phosphates Limited	MD

<sup>^</sup>MD – Managing Director, ID – Independent Director, NED – Non-Executive Director, WTD – Whole-time Director, ED – Executive Director

@ upto 03.11.2022, # WTD w.e.f. 03.11.2022, \$ upto 13.05.2022, % w.e.f. 13.05.2022, ! w.e.f. 03.11.2022 upto 25.03.2023, & w.e.f. 25.03.2023.

<sup>+</sup> Includes Directorship in other public and private companies.

<sup>++</sup> Includes Audit Committee and Stakeholders' Relationship Committee only in public companies.

None of the Directors are related to each other.

### **Specific skills/expertise/competency identified/required**

The following skills/expertise/competencies are identified to be required for the effective functioning of the Company which are currently available with the Directors.

#### **a. Strategic skills**

Creation & implementation of effective strategies, ability to think strategically to propose new ideas and future-oriented perspective. Need for clear vision on business models and strategic analysis.

#### **b. Finance skills**

The ability to analyse key financial statements, critically assess financial viability and performance, contribute to strategic financial planning and oversee budgets.

#### **c. Regulatory matters**

Understanding of the relevant laws, rules, regulation policies applicable to the organisation/industry/sector and level/status of compliances thereof by the organisation.

#### **d. Industry/Product related**

Experience & knowledge of the industry and its dynamics.

#### **e. Risk related**

Identification of key risks including legal & regulatory compliance and advising on risk mitigation.

#### **f. Business management**

Experience at an executive level including the ability to evaluate the performance of the senior management, strategic human resource management and industrial relations; oversee large scale organisational change.

#### **g. Corporate Governance related**

Understanding of the best corporate governance practices, relevant governance codes and governance structure.

#### **h. Personal attributes**

Integrity & Ethics, constructive participation, leadership qualities, innovative thinking and critical analysis.

### **Independent Directors**

#### **a. Familiarization Programme**

The Company, in compliance with Regulation 25(7) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, formulates programs to familiarize new Independent Directors, inducted on the Board of the Company, nature of the industry, business model, their roles and responsibilities. The Independent Directors are having rich experience on the roles, rights and responsibilities of Independent Directors. The details of familiarization programme have been disclosed on the Company's website [www.mangalorechemicals.com](http://www.mangalorechemicals.com).

#### **b. Separate Meeting**

A separate meeting of the Independent Directors was held on May 10, 2022 to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### **c. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and are independent of the management.**

### **3. AUDIT COMMITTEE**

The terms of reference of the Audit Committee are as given below:

- The Audit Committee shall meet at least 4 times in a year with not more than 120 days gap between two meetings.
- The quorum for the meetings shall be at least 2 Independent Directors and Chairman of the meeting shall be an Independent Director.
- The Audit Committee shall have the powers to investigate any financial activity, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- The role of Audit Committee and the information that the Audit Committee shall review will be as specified in Section 177 of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part C of Schedule II.
- The Audit Committee shall review Policy on Related Party Transactions and Whistle Blower Policy on an annual basis.
- The Company Secretary shall act as the secretary to the Audit Committee.

Besides the above, the additional terms of reference of Audit Committee as per the Companies Act, 2013 includes reviewing and monitoring auditor's independence and performance, and effectiveness of audit process, examination of the financial statement and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company, whenever it is necessary.

During the year, five meetings of the Audit Committee were held on May 17, 2022, July 07, 2022, August 01, 2022, November 03, 2022 and January 30, 2023.

**The composition and the attendance of the members of the Audit Committee is as follows:**

Name of the Director	Status	No. of meetings attended
Dipankar Chatterji @	Chairman	NA
Marco Wadia #	Chairman	05
D A Prasanna	Member	05
Rita Menon	Member	05

@ upto 13.05.2022, # w.e.f. 13.05.2022

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration Committee are as given below:

- The Nomination and Remuneration Committee shall meet at such intervals as may be necessary, but at least once in a year, to discharge its functions.
- The quorum for the meetings shall be at least 2 members including at least one Independent Director and Chairman of the meeting shall be an Independent Director.
- The role of Nomination and Remuneration Committee shall be as specified in Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.
- The Nomination and Remuneration Committee shall review Nomination and Remuneration Policy and Policy on Board Diversity on an annual basis.
- The Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.

During the year, four meetings of the Nomination and Remuneration Committee were held on May 10, 2022, July 07, 2022, November 03, 2022 and March 25, 2023.

The composition and the attendance of the members of the Nomination and Remuneration Committee is as follows:

Name of the Director	Status	No. of meetings attended
D A Prasanna	Chairman	04
Dipankar Chatterji @	Member	01
Akshay Poddar	Member	04
Marco Wadia #	Member	03

@ upto 13.05.2022, # w.e.f. 13.05.2022

#### Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has evaluated the performance of every Director and the evaluation process was carried out by circulating questionnaires on performance of duties, participation and contribution to the Board and Committees.

#### 5. RISK MANAGEMENT COMMITTEE

The terms of reference of the Risk Management Committee are as given below:

- The Committee shall meet at such intervals, as per the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, amended from time to time.
- The quorum for the meetings of the Committee shall be as per the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, amended from time to time.
- The Chairman of the Committee shall always be a member of the Board of Directors.
- The Committee shall monitor and review the risk management plan.
- The Committee shall review risk matrix and regulatory risk factors.
- The Committee shall review Foreign Exchange Hedging Policy and Risk Management Policy on an annual basis.
- The Committee shall exercise such powers and duties as may be delegated by the Board of Directors.
- The Company Secretary shall act as the secretary to the Committee.

During the year, two meetings of the Risk Management Committee were held on July 07, 2022 and December 21, 2022.

The composition and the attendance of the members of the Risk Management Committee is as follows:

Name of the Director/Memebr	Status	No. of meetings attended
Shubhabrata Saha @	Chairman	01
Nitin M Kantak \$	Chairman	01
D A Prasanna	Member	02
T M Muralidharan	Member	02

@ upto 03.11.2022, \$ w.e.f. 03.11.2022

## 6. REMUNERATION OF DIRECTORS

The Company did not have any pecuniary relationship or transaction with any Non-Executive Directors during the year 2022-23.

Remuneration by way of sitting fees was paid to the Non-Executive Directors during the financial year ended March 31, 2023 for attending the meetings of the Board and the Committees. Payment of remuneration to the Managing Director and Whole-time Director was as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Shareholders.

The details of the remuneration to the Directors are given below:

(INR in lakhs)

Name of the Director	Salary	Sitting fees	Perquisites	Stock Options	Bonus	Retirement benefit	Other remuneration*	Terms of service contract
Shubhabrata Saha @	209.23	Nil	35.05	-	70.00	15.39	Nil	NA
Akshay Poddar	Nil	4.30	Nil	Nil	Nil	Nil	5.00	Director liable to retire by rotation
Nitin M Kantak #	42.38	1.50	9.45	-	0	5.95	2.92	Appointed as WTD for a period of 3 years w.e.f. 03.11.2022. Termination with 3 months' notice by either party
Rita Menon	Nil	5.75	Nil	Nil	Nil	Nil	5.00	Re-appointed as Independent Director for a period of 3 years w.e.f. 29.07.2020
D A Prasanna	Nil	6.75	Nil	Nil	Nil	Nil	5.00	Re-appointed as Independent Director for a period of 5 years w.e.f. 06.05.2021
Dipankar Chatterji %	Nil	0.40	Nil	Nil	Nil	Nil	Nil	NA
Marco Wadia \$	Nil	5.35	Nil	Nil	Nil	Nil	4.50	Appointed as Independent Director for a period of 3 years w.e.f. 13.05.2022
Sabaleel Nandy !	Nil	1.00	Nil	Nil	Nil	Nil	Nil	NA
N Suresh Krishnan &	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Director liable to retire by rotation

@ upto 03.11.2022, # WTD w.e.f. 03.11.2022, % upto 13.05.2022, \$ w.e.f. 13.05.2022, ! w.e.f. 03.11.2022 upto 25.03.2023, & w.e.f. 25.03.2023.

\*as approved by the members in the AGM held on 16.09.2021.

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference of the Stakeholders' Relationship Committee are as given below:

- The Stakeholders Relationship Committee shall meet at such intervals as it may be necessary, but at least once in a year, to discharge its functions.
- The quorum for the meetings shall be at least 2 members.
- The Chairman of the meeting shall be a Non-Executive Director and he shall be present at the Annual General Meeting.
- The role of Stakeholders Relationship Committee shall be as specified in Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.

During the year, one meeting of the Stakeholders' Relationship Committee was held on March 25, 2023.

The composition and the attendance of the members of the Stakeholders' Relationship Committee is as follows:

Name of the Director	Status	No. of meetings attended
D A Prasanna	Chairman	01
Rita Menon	Member	01
Shubhabrata Saha #	Member	NA
Nitin M Kantak @	Member	01

# upto 03.11.2022, @ w.e.f. 03.11.2022

Mr. Vijayamahantesh Khannur, Company Secretary is the Compliance Officer.

During the year ended March 31, 2023, the Company has received 08 shareholders' complaints and same are redressed to the satisfaction of the shareholders.

## 8. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. The Board has designated the Company Secretary, as the Compliance Officer and authorized the Whole-time Director to monitor the compliance of the aforesaid regulations.

## 9. CODE OF BUSINESS CONDUCT AND ETHICS

The Company has in place, a Code of Business Conduct and Ethics for its Board members and the senior management, which has been posted on the Company's website. The board and the senior management affirm compliance with the code, annually.

## 10. GENERAL MEETINGS

The details of location, time and special resolutions passed at the previous three Annual General Meetings given below:

Date	Time	Venue	Special Resolutions Passed
September 13, 2022	3.00 p.m.	Through Video Conferencing	None
September 16, 2021	4.00 p.m.	Through Video Conferencing	Re-appointment of Mr. D A Prasanna as an Independent Director
September 15, 2020	11.00 a.m.	Through Video Conferencing	a. Re-appointment of Mrs. Rita Menon as an Independent Director b. Re-appointment of Mr. K Prabhakar Rao as Director - Works

### Special Resolutions passed through Postal Ballot

The Company has passed two special resolutions through Postal Ballot during the year ended March 31, 2023.

## 11. MEANS OF COMMUNICATION

The quarterly financial results are normally published in Business Line, an English daily as well as Sanjevani, a vernacular daily. The results are also posted on the Company's website: [www.mangalorechemicals.com/investor/investor\\_newspaper\\_publications](http://www.mangalorechemicals.com/investor/investor_newspaper_publications)

## 12. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting

The Fifty Sixth Annual General Meeting of the Company will be held on **Tuesday, September 26, 2023 at 4.30 P.M.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

### b. Financial Year

Financial Year – April 1 to March 31.

Financial reporting during the year 2023-24:

Quarter	Declaration of un-audited/audited financial results
Results for the quarter ending June 30, 2023	On or before 14 <sup>th</sup> August 2023 or such prescribed period
Results for the half-year ending September 30, 2023	On or before 14 <sup>th</sup> November 2023 or such prescribed period
Results for the quarter ending December 31, 2023	On or before 14 <sup>th</sup> February 2024 or such prescribed period
Audited Annual Results for 2023-24	On or before May 30, 2024 or such prescribed period

c. **Book closure dates:** September 20, 2023 to September 26, 2023 (both days inclusive).

d. **Dividend payment date:** Within 30 days from the date of approval of shareholders.

### e. Listing on the Stock Exchanges

The Company's shares are presently listed on the following Stock Exchanges:

BSE Limited (Bombay Stock Exchange)	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, Bandra Kurla Complex
Dalal Street, MUMBAI – 400 023	Bandra (E), MUMBAI – 400 051

The Company has paid the annual listing fees to the Stock Exchanges and the custodial fees to NSDL and CDSL for the financial year 2022-23.

**f. Stock Code**

BSE Limited: 530011

National Stock Exchange of India Limited: MANGCHEFER

International Standard Identification Number (ISIN): INE558B01017

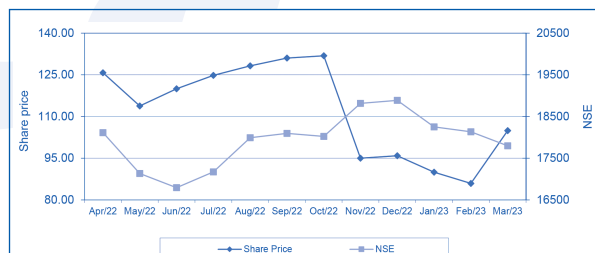
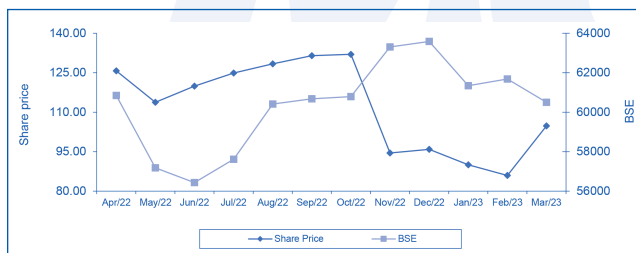
**g. Market Price Data**

The monthly high and low quotations at BSE and NSE during the year under review are given below:

Month & Year	BSE		NSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April 2022	125.70	85.50	125.75	85.80
May 2022	113.75	72.45	113.80	72.35
June 2022	119.90	83.75	120.00	83.55
July 2022	124.90	106.00	124.80	106.45
August 2022	128.40	114.30	128.25	114.30
September 2022	131.50	120.55	131.05	121.10
October 2022	132.00	93.95	131.85	93.95
November 2022	94.50	77.05	95.00	77.10
December 2022	95.90	78.90	95.90	79.00
January 2023	90.00	77.15	90.00	77.15
February 2023	85.95	72.55	85.95	72.70
March 2023	104.80	72.45	104.95	73.40

Source: www.bseindia.com & www.nseindia.com

**h. Performance in comparison to BSE Sensex and Nifty 50**



Note: Highest traded price of the month is considered for the graph.

**i. The securities were not suspended from trading during the year.**

**j. Registrars and Share Transfer Agents**

M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600 002, have been engaged to provide both share transfer as well as dematerialization services.

**k. Share Transfer System**

The Share Transfers in physical mode above 1000 equity shares are approved by Stakeholders' Relationship Committee.

The Company has authorized the Company Secretary to approve share transfers involving up to 1000 shares with a view to expedite the process of share transfers.

**I. Shareholding Pattern as on March 31, 2023**

Category	No. of Shareholders	No. of Equity Shares	% of shareholding
Promoters & Promoters Group	10	7,18,51,686	60.63
Banks, FIs, Insurance Companies	218	2,15,391	0.18
Foreign Portfolio Investors	5	10,22,086	0.86
Private Corporate Bodies	386	1,32,62,786	11.19
Indian Public	52,571	2,59,19,354	21.87
NRIs/OCBs	477	8,44,542	0.71
Others	827	53,99,305	4.56
<b>Grand Total</b>	<b>54,494</b>	<b>11,85,15,150</b>	<b>100.00</b>

**Distribution of shareholding as on March 31, 2023**

	Shareholders	No. of Equity Shares	% of shareholding
Upto 1000	51,545	91,24,023	7.70
1001 - 5000	2,313	54,10,180	4.56
5001 - 10000	278	21,92,033	1.85
10001 - 20000	142	21,48,398	1.81
20001 - 30000	57	14,45,831	1.22
30001 - 40000	28	10,15,192	0.86
40001 - 50000	25	12,13,016	1.02
50001 - 100000	54	40,09,454	3.38
100001 & above	52	9,19,57,023	77.60
<b>Total</b>	<b>54,494</b>	<b>11,85,15,150</b>	<b>100.00</b>

**m. Dematerialisation of shares and liquidity**

The Company's equity shares having been mandated for settlement only in dematerialized form by all investors, the Company has signed tripartite agreements with the National Securities Depository Limited [NSDL], the Central Depository Services (India) Limited [CDSL] and Cameo Corporate Services Limited, to offer depository related services to its shareholders. As at March 31, 2023, 98.05% of the equity share capital of the Company has been dematerialized. Investors holding physical share certificates are advised to convert their holding to demat form in view of the various advantages associated with demat holding.

**n. The Company has not issued GDRs/ADRs/Warrants and Convertible Instruments.**

**o. Commodity price risk or foreign exchange risk and hedging activities**

During the year, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures. The details of foreign currency exposure are disclosed in Note No. 41 to the Financial Statements.

**p. Plant location:** Panambur, Mangalore – 575 010

**q. Address for Correspondence**

Registered Office	Registrars and Transfer Agents
Mangalore Chemicals & Fertilizers Limited Level-11, UB Tower, UB City 24, Vittal Mallya Road Bengaluru - 560 001 Phone : +91 80 - 4585 5599 Fax: +91 80 - 4585 5588 Email: shares.mcf@adventz.com	M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai – 600 002 Ph. No: +91 44-2846 0395 Fax No: +91 44-2846 0129 Email: investor@cameoindia.com

The Company has designated the email ID [shares.mcf@adventz.com](mailto:shares.mcf@adventz.com) for registering investor complaints.



**r. Credit ratings**

CARE Ratings Limited (CARE), vide its letter dated March 15, 2023, has revised the rating of Long Term Bank Facilities to CARE A-; Stable (read as Single A Minus; Outlook: Stable) from CARE BBB+; Stable (read as Triple B Plus; Outlook: Stable) and of Long Term/Short Term Bank Facilities to CARE A-; Stable/CARE A2+ (read as Single A Minus; Outlook: Stable/A Two Plus) from CARE BBB+; Stable/CARE A3+ (read as Triple B Plus; Outlook: Stable/A Three Plus).

**13. OTHER DISCLOSURES**

- a. Disclosures on materially significant related party transactions  
No transaction of material nature has been entered into by the Company with its Promoters, Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company. However, please refer to the relevant Notes to the financial statements on related party transactions.
- b. Details of non-compliance by the Company, penalties, strictures  
The Company has complied with all the statutory requirements comprised in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and there were no penalty/strictures were imposed on the Company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- c. The Company has a Whistle Blower Policy closely monitored by the management. No personnel has been denied access to the Audit Committee.
- d. The Company has complied with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- e. The Company does not have any subsidiary and hence policy on determining material subsidiaries is not applicable.
- f. The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the Policy on Related Party Transactions and the same is placed on website of the Company [www.mangalorechemicals.com/investor/investor\\_party\\_transactions](http://www.mangalorechemicals.com/investor/investor_party_transactions)
- g. The subsidy mechanism applicable for Urea appropriately recognizes commodity price fluctuations in respect of the required inputs. Similarly, subsidy mechanism under Nutrient Based Subsidy scheme applicable for DAP, MOP and other complex fertilizers and the market realization reflect the fluctuations in the respective commodity prices.
- h. The Company has not raised any funds through preferential allotment or qualified institutions placement.
- i. Certification from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this Report.
- j. The Board has accepted all the recommendations of the various committees of the Board, in the relevant financial year.
- k. Total fees for all services to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, is given in Note No. 30 to the Financial Statements.
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - i. number of complaints filed during the financial year: Nil
  - ii. number of complaints disposed off during the financial year: Nil
  - iii. number of complaints pending as on end of the financial year: Nil
- m. The Company has adopted para C and E of Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- n. The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- o. There are no shares in the demat suspense account or unclaimed suspense account.

**Declaration regarding compliance with Company's Code of Business Conduct and Ethics**

I, Nitin M Kantak, Whole-time Director of Mangalore Chemicals & Fertilizers Limited, hereby declare that all Board members and senior management team have affirmed compliance of the Code of Business Conduct and Ethics for the financial year ended March 31, 2023.

May 11, 2023

**Nitin M Kantak**  
Whole-time Director  
DIN: 08029847

## **CERTIFICATES UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Members,  
Mangalore Chemicals & Fertilizers Limited,  
Level 11, UB Tower, UB City,  
24, Vittal Mallya Road,  
Bengaluru – 560 001

I have examined the compliance conditions of Corporate Governance by the Mangalore Chemicals & Fertilizers Limited ("the Company") for the year ended March 31, 2023 as per the Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance conditions of Corporate Governance are the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the 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 my opinion and to the best of the information and according to the explanation given to me, it is certified that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that none of the Directors on the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company as per the requirement of by SEBI/Ministry of Corporate Affairs or any such statutory authority.

I hereby 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.

Place: Bengaluru  
Date: 10<sup>th</sup> May, 2023  
UDIN: F003031E000280594

**S Kedarnath**  
Company Secretary  
CP No.: 4422, M No.: 3031

## **Management Discussion and Analysis**

### **Industry Structure and Developments**

The Company has one major business segment, viz. Fertilizers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka. About 77% of the Company's products are sold in the state of Karnataka, which meets about 10% of the needs of the farmers in the State. The Company maintains a good share of the market in Kerala and a modest share in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra.

### **Threats and Opportunities**

The writ petition filed by the Company before the Hon'ble High Court of Delhi (DHC) seeking remedy against some restrictive & discriminatory conditions imposed by the Notification No.12018/4/2014-FPP dated June 17, 2015, was disposed since the GOI confirmed that the Company would be eligible for the benefits as are available to other manufacturers of Urea who have converted their manufacturing processes to gas based and are now utilizing gas for production of Urea.

The GOI issued Notification No.12012/1/2015-FPP dated March 28, 2018 confirming the availability of benefits to the Company for having converted its manufacturing process to gas based, on receipt & use of gas for production of Urea and continuation of existing policy till March 2020.

The Nutrient Based Subsidy Scheme (NBS) was introduced by the GOI with effect from April 01, 2010 after de-controlling the DAP/complex fertilizers, where annual/bi-annual concession rates are announced leaving the market realization to reflect the fluctuations in respective commodity prices. However, the GOI is monitoring the market realization.

From January 2018, the GOI has rolled out Direct Benefit Transfer (DBT) for payment of subsidy on sale by the retailers on pan India basis after pilot studies in some selected districts of various States, as against the earlier system of payment of subsidy on receipt basis into the respective districts and sales thereafter. DBT roll out resulted in delayed payment of subsidy which would follow the vagaries of agro climatic conditions, leading to elongated working capital cycle. The delay in payment of subsidy caused by DBT, higher subsidy demand due to higher commodity prices and rupee depreciation would contribute to higher working capital requirement and resultant higher finance cost.

### **Future Outlook**

The demand for both Nitrogenous & Phosphatic fertilizers in India is increasing steadily and expected to grow at a compounded

annual rate of about 2%. With the domestic production almost stagnant and the demand increasing, the supply deficit has to be met from imports. The Company has planned to import substantial quantity of fertilizers 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.

### **Financial and Operational Performance**

#### **a) Production Performance**

Production of 3,31,690 MTs of Urea, 2,29,826 MTs of Complex fertilizers [DAP/NP] and 11,004 MTs of Ammonium Bi-Carbonate was achieved during the year.

#### **b) Operating Results**

The revenue from operations for the year ended March 31, 2023 was INR 3,641.52 crore as compared to INR 2,895.58 crore for the year ended March 31, 2022.

The profit before tax for the year ended March 31, 2023 was INR 176.03 crore as compared to INR 134.66 crore for the year ended March 31, 2022. Total Comprehensive Income stood at INR 134.34 crore for the year ended March 31, 2023 compared to INR 87.66 crore for the previous year.

#### **c) Resource Utilization**

The gross fixed assets and capital work-in-progress as at March 31, 2023 were INR 1,398.54 crore as compared to INR 1,154.77 crore in the previous year.

#### **d) Working Capital**

Net working capital as on March 31, 2023 was INR 147.30 crore.

### **Risks and Concerns**

Due to any changes in Fertilizer policy, Urea production may get curtailed. Possible non-availability of raw materials & fertilizers and their rising prices for non-urea fertilizers are matters of concern. Roll out of DBT, any under provisioning for fertilizer subsidy in the Union Budget and resultant delay in subsidy payment by Govt. of India would contribute to precarious working capital position which could impact production and increased finance costs. Considering the Company's plans for higher imports, depreciation of Indian rupee against the US dollar can adversely affect profitability. Increase in operating costs, mainly finance costs on working capital may adversely affect profitability.

### Internal Financial Control Systems

Adequate internal financial controls are in place across various functions in the Company. The Company has migrated from SAP ECC 6.0 with EHP 8.0 version to the new SAP S/4 HANA (high-performance analytic appliance) version and GRC software, which have higher controls in place.

In addition, Internal Auditor reviews the internal financial control measures on an ongoing basis, whose reports are reviewed by the Audit Committee.

### Human Resources and Industrial Relations

The Company continues to focus on employee training and development and had organized several technical and other soft skills training programs across levels. The Company constantly reviews/revises its policies and practices to stay aligned with the best in the industry.

The total strength of regular employees at the end of the year was 605.

### Details of Significant Changes in Key Financial Ratios, along with detailed explanations:

Sr. No.	Particulars	March 31, 2023	March 31, 2022	Variation %	Reason for Variation
i.	Interest Coverage ratio	2.96%	4.27%	(30.65%)	Higher finance cost due to additional term loan for Energy Improvement Project and increase in cost of borrowings.
ii.	Return on Net Worth	18.12%	13.62%	33.06%	Higher profits due to improved efficiency after completion of Energy Improvement Project during the year.



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

**SECTION A : GENERAL DISCLOSURES**

**I. Details of the listed entity**

1.	Corporate Identity Number (CIN) of Listed Entity	L24123KA1966PLC002036
2.	Name of the Listed Entity	Mangalore Chemicals & Fertilizers Limited
3.	Year of Incorporation	1966
4.	Registered office address	Level 11, UB Tower, UB City, No.24, Vittal Mallya Road, Bangalore - 560001
5.	Corporate Address	Same as above
6.	E-mail	<a href="mailto:shares.mcf@adventz.com">shares.mcf@adventz.com</a>
7.	Telephone	+91 80 4585 5599
8.	Website	<a href="http://www.mangalorechemicals.com">www.mangalorechemicals.com</a>
9.	Financial year for which reporting is being done	April 01, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	(i) BSE Limited (ii) National Stock Exchange of India Limited
11.	Paid-up Share Capital	INR 118.55 crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	Mr. Nitin M Kantak, Whole-time Director Telephone: +91 80 4585 5599 Email: <a href="mailto:nitinkantak@adventz.com">nitinkantak@adventz.com</a>
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 entities which form a part of its consolidated financial statements, taken together)	On standalone basis

**II. Products/services**

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

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	93.76%

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

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Fertilizers	20121	97.48%

**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	1	6	7
International	Nil	Nil	Nil

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

**a. Number of locations**

Location	Number
National (No. of States)	6
International (No. of Countries)	Nil

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

- No export of fertilizers

**c. A brief on types of customers**

- Company serves distributors, dealers, State cooperatives & farmer produce organizations
- Farmers are our end customers

#### IV. Employees

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

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

Sl. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (B)	% (B/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	599	586	97.83	13	2.17
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total Employees (D+E)</b>	599	586	97.83	13	2.17
<b>WORKERS</b>						
1.	Permanent (F)	6	6	100	0	0
2.	Other than Permanent (G)	491	476	96.95	15	3.05
3.	<b>Total Employees (F+G)</b>	497	482	96.98	15	3.02

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

Sl. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (B)	% (B/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D+E)</b>	-	-	-	-	-
<b>DIFFERENTLY ABLED WORKERS</b>						
1.	Permanent (F)	-	-	-	-	-
2.	Other than Permanent (G)	-	-	-	-	-
3.	<b>Total differently abled workers (F+G)</b>	-	-	-	-	-

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

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B/A)
Board of Directors*	6	1	16.67%
Key Management Personnel	2	Nil	Nil

\* Whole-time Director included in Board of Directors category.

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

	FY 2022-2023 (Turnover rate in current FY)			FY2021-2022 (Turnover rate in previous FY)			FY2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.60	13.79	5.79	3.10	6.25	3.18	1.78	5.71	1.87
Permanent Workers	0	0	0	0	0	0	0	0	0

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

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

Sl. No.	Name of the holding/subsidiary/associate companies/Joint ventures (A)	Indicate 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
1.	Zuari Agro Chemicals Limited	Holding	54.03%	No

## VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No): Yes

(ii) Turnover (in INR) : 36,415,239,743

(iii) Net worth (in INR) : 8,031,881,849

### 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/NA) (If yes, then provide web-link for grievance redress policy)	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	0	0	0	0
Investor (other than shareholders)	Yes	0	0	0	0	0	0
Shareholders	Yes	08	0	Resolved	08	0	Resolved
Employees and workers	Yes	0	0	0	0	0	0
Customers/ Consumers	Yes	0	0	0	0	0	0
Value Chain Partners	Yes	0	0	0	0	0	0
Others (please specify)	NA	0	0	0	0	0	0

The grievance redressal mechanism can be accessed at the weblink – [https://www.mangalorechemicals.com/investor/investor\\_cdig](https://www.mangalorechemicals.com/investor/investor_cdig)

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. No.	Material issue identified	Indicate whether risk or opportunity	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.	Climate Change	Opportunity	Continuous improvement in efficiency by bench marking, plant upgradation, adopting new technologies, increasing renewable energy generation enables us to produce our fertilizer products with lower carbon foot print and at lower cost.	NA	Positive
2.	Demand for products	Opportunity	Balanced use of fertilizers helps to maintain good soil health and achieve better yield. Company conducts several farmer training programmes on balanced and optimum use of fertilizers. Optimum consumption and better yield results in sustainable growth of demand	NA	Positive



Sl. No.	Material issue identified	Indicate whether risk or opportunity	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)
3.	Raw material availability	Risk	Key raw materials natural gas, phosphoric acid and ammonia are imported.	Ammonia production capacity is increased partially substituting import. Natural gas supply is secured through mid / long terms contracts.	Negative
4.	Ethics and Governance	Risk	MCFL strives to maintain the highest standards of ethics and governance. It is well aware of the negative impact on brand reputation if such practices are not fully adhered to.	We ensure all employees adhere to Code of Conduct and ethics	Negative
5.	Human Capital	Opportunity	MCFL needs to nurture talent by providing a conducive work environment to improve the motivation of employees and thereby, contribute to the growth and development of business safe workplace is important for utilization of potential. Workplace safety is improved continuously by upgrading technologies and adopting best practices	NA	Positive
6.	Social and Community development	Opportunity	Social acceptance is key in safe operation and business expansion	NA	Positive
7.	Supply Chain	Opportunity	Associating with reputed suppliers and vendors and development of quality suppliers is important for reliable operation, cost effective solutions and reduced downtime.	NA	Positive

## 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 National Guidelines on Responsible Business Conduct (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
<b>Policy and management processes</b>									
1a. 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	<a href="https://www.mangalorechemicals.com/investor/investor_cbc">https://www.mangalorechemicals.com/investor/investor_cbc</a> <a href="https://www.mangalorechemicals.com/investor/code_of_conduct_to_regulate_monitor_and_report_trading_by_an_insider">https://www.mangalorechemicals.com/investor/code_of_conduct_to_regulate_monitor_and_report_trading_by_an_insider</a> <a href="https://www.mangalorechemicals.com/investor/policies">https://www.mangalorechemicals.com/investor/policies</a>								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>										
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.	1) ISO 14001:2015 Environmental Management Systems 2) ISO 45001:2018 Occupational Health & Safety Management Systems 3) ISO 22000:2018 Food Safety Management Systems (for production of Ammonium Bi Carbonate) 4) ISO 17025:2017 General requirements for the competence of testing and calibration laboratories								
5.	Specific commitments, goals, and targets set by the entity with defined timelines, if any.	MCFL is committed to the conduct of the business with highest ethical and governance standards. Best in class products are being offered by constant quality improvement initiatives. MCFL is in the process of setting ESG targets at organization level within the defined boundaries.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	MCFL has implemented governing policies to conduct its operations in compliance with the highest governance standards. Improvements in the products offered are made basis the customer feedback with focus on environmental, health and safety impacts of the products.								
<b>Governance, leadership, and oversight</b>										
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)	<p>The Company understand the importance of ESG in ensuring sustainable future and long term success of business by operating responsibly by maintaining trust among our stakeholders.</p> <p>The Company is actively working on implementing energy efficient practices and renewal energy sources, to minimize emissions. Over the past year, we have reduced our carbon emissions through the implementation of Ammonia Energy Improvement Project and constantly aiming to reduce further carbon footprint.</p> <p>The Company places high priority on the well being and the safety of its employees and workers, constantly upgrading and investing in occupational health safety measures. The organization also acknowledges the significance of gender diversity and strives to foster an environment that promotes equal opportunities and inclusion.</p> <p>Our customers are our key stakeholders and in pursuit of their well being we are committed to provide best-in-class products and services in a sustainable and responsible manner. Moreover, we constantly enhance our corporate governance practices ensuring transparency, accountability and ethical conduct at all levels of our organization.</p> <p>In terms of Corporate Social Responsibility, we continue to make significant contributions in the area of education, rural development, healthcare, sanitation, employability and empowerment, animal welfare and soil health etc., for the underprivileged community living in the villages located near our plant in Mangalore besides our marketing territories.</p> <p>We continue to remain committed for continuous improvement and innovation on ESG to ensure that we create long term value for our stakeholders and contribute positively to the communities and environments in which we operate.</p>								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	Mr. Nitin M Kantak, Whole-time Director.								
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.	No								

10.	Details of Review of NGRBC by the Company:																		
	<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee</b>									<b>Frequency (Annually / Half yearly/ Quarterly / Any other – please specify)</b>								
		<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>	<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
	Performance against above policies and follow up action	Yes, the review is undertaken by the Board									Quarterly								
	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, the review is undertaken by the Board									Quarterly								
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
											Company's policies are not audited/evaluated by external agencies. However, as a good corporate practice, the policies are reviewed by various committees of the Board of Directors and the Board of Director reviews, amends the policies on periodical basis to incorporate statutory and business requirements.								

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

Questions	<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
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**

**PRINCIPLE 1 - Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

**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	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Independent Director/s is/are familiarized about the Company's operations and businesses and the Board of Directors are briefed on ethical and social accountable conduct of business along with the features of the Ammonia Energy Improvement Project besides updates on various government policies, ESG matters, and safety related issues which provide awareness on the nine principles of NGRBC.	100%
Key Managerial Personnel	1		
Employees other than Board of Directors and KMPs	1	Training and awareness programmes conducted on nine principles of NGRBC	100%
Workers	1		

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 Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Nil					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial Institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment			Nil		
Punishment					

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

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. Policy implemented and covered as part of Business Conduct program. Also available on Company's Website <https://www.mangalorechemicals.com/assets/frontend/pdfs/6Codeofbusinessconductandethicsnew.pdf>.

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

	FY 2022-2023	FY 2021-2022
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

	FY 2022-23 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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 conflict of interest.

- Not Applicable

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Not Applicable	Not Applicable

2. Does the entity have processes in place to avoid/manage conflict of interest involving members of the Board? (Yes/No) If Yes, provide details of the same.

- Yes, Directors are covered under the Code of Business conduct.

**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.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
Research & Development (R&D)	-	-	The Company is a manufacturing sector, hence, not engaged in any major Research and Development activity. However, the Company makes best efforts to improve the efficiency and reliability of its plants and quality of the products.
Capex	76%	29%	Ammonia (intermediate product in Urea production) Plant was revamped (Commissioned in September 2022) to reduce specific energy consumption of Urea Production with an investment of INR 435 crore. The revamped plant has achieved a reduction of Specific Energy consumption of Urea production by 11.5%. The reduction in specific energy consumption has reduced CO2 emission by about 56 kg/t of Urea which is about 21250 t of CO2 / year.

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

- Yes

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

- Procuring green energy for non urea electrical energy consumption (8.3% - 16.3 MU) and Renewable energy certificates to the extent of about 15.2%(30.1 MU) for the year 2022-23.

Motor specifications are standardized as IE3/IE4 and Light fixtures are standardized as LED. 100% motors and Lightings sourced in 2022-23 are IE3/4 & LEDs.

**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.**

- MCF's products in the market produce only Plastic waste (packaging) and do not produce any E-Waste, Hazardous and other wastes. The process of reclaiming Plastic waste is given below -

Plastics (Including packaging) –

The company is registered as Brand Owner as per Plastic Waste Management Rules, 2016 (and amendments) by Central Pollution Control Board.

Under Extended Producer Responsibility (EPR), MCF has appointed a Waste Management Agency as per Plastic Waste Management Rules, 2016 (and amendments) to collect, transport and recycle the plastic waste.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No)**

- Yes. EPR is applicable to the entity's activities.

**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 no address the same.**

- Yes. A Waste Management Agency has been appointed to collect, transport and recycle the plastic waste under EPR.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/Assessment (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? (Yes/No). If yes, provide details in the following format? - No**

NIC code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link
LCA not carried out for any of the product.					

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessment (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name or Product/Service	Description of the risk/concern	Action Taken
Not applicable as LCA is not carried out.		

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)**

Indicate input material	Recycled or re-used input material to total material	
	FY2022-2023	FY2021-2022
The input raw materials are not re-cyclable and not re-usable in nature		

**4. Of the products and packaging reclaimed at end of life of products, amount [in Metric Tons (MT)] reused, recycled, and safely disposed, as per the following format:**

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Re-Used (MT)	Recycled (MT)	Safely Disposed (MT)	Re-Used (MT)	Recycled (MT)	Safely Disposed (MT)
Plastics (including packaging)	Nil	1600	Nil	Nil	555.45	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
The fertilizer products are chemical products produced by the company cannot be reclaimed as they are consumed in their end use. The company reclaims packaging materials of bagged products as per EPR guidelines. Total packaging materials recycled as per EPR guidelines are 555.45 tonnes in 2021-22 and 1600 tonnes in 2022-23.	

**PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chain.**

**Essential Indicators**

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	586	586	100	586	100	-	-	586	100	586	100
Female	13	13	100	13	100	13	100	-	-	13	100
Total	599	599	100	599	100	13	2.17	586	97.83	599	100
<b>Other than Permanent employees</b>											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

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

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	6	6	100	6	100	Nil	Nil	6	100	6	100
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	6	6	100	6	100	Nil	Nil	6	100	6	100
<b>Other than Permanent workers</b>											
Male	476	476	100	476	100	Nil	Nil	Nil	Nil	476	100
Female	15	15	100	15	100	15	100	Nil	Nil	15	100
Total	491	491	100	491	100	15	3.05	Nil	Nil	491	100

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

Benefits	FY2022-2023 (Current Financial Year)			FY2021-2022 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	5.18	-	Y	9.26	-	Y
Others – please specify	-	-	-	-	-	-

## 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. - Yes

## 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.

- Yes. Equal opportunity policy is available on Company's Website - [https://www.mangalorechemicals.com/investor/investor\\_equal\\_opportunity\\_policy](https://www.mangalorechemicals.com/investor/investor_equal_opportunity_policy)

## 5. Return to work & 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%	NA	NA
Total	100%	100%	100%	100%

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes – Grievance Redressal Mechanism forum is available for reporting, by way of direct approach to immediate Head/Supervisor/Manager
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

## 7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	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)	% (C/D)
<b>Total Permanent Employees</b>						
Male	586	0	0	626	0	0
Female	13	0	0	17	0	0
<b>Total Permanent Workers</b>						
Male	6	6	100%	8	8	100%
Female	-	-	-	-	-	-



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

Category	FY 2022-2023 (Current Financial Year)					FY 2021-2022 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
<b>Employees</b>										
Male	586	341	58.19	398	67.92	626	283	45.21	312	49.84
Female	13	6	46.15	8	61.54	17	0	0	12	70.59
<b>Total</b>	<b>599</b>	<b>347</b>	<b>57.93</b>	<b>406</b>	<b>67.78</b>	<b>643</b>	<b>283</b>	<b>44.01</b>	<b>324</b>	<b>50.39</b>
<b>Workers</b>										
Male	6	0	0	1	16.67	8	2	25.00	1	12.50
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>16.67</b>	<b>8</b>	<b>2</b>	<b>25.00</b>	<b>1</b>	<b>12.50</b>

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Permanent Employees</b>						
Male	586	586	100	626	626	100
Female	13	13	100	17	17	100
<b>Total</b>	<b>599</b>	<b>599</b>	<b>100</b>	<b>643</b>	<b>643</b>	<b>100</b>
<b>Permanent Workers</b>						
Male	6	6	100	6	6	100
Female	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>6</b>	<b>100</b>	<b>6</b>	<b>6</b>	<b>100</b>

**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 of such system?**

- Yes. MCF has implemented OHS Management System as per ISO 45001: 2018 in the factory. The scope of the system is - Manufacture of ammonia, urea, phosphatic fertilizers (Di-ammonium phosphate, NP 20:20 and NP 16:20), ammonium bicarbonate, sulphuric acid, sulphonated naphthalene formaldehyde, specialty mixtures of plant nutrients - micro nutrients, speciality fertilizer mixtures, fertigation products and soil conditioners.

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

- As a part of OHS Management System, Hazard Identification and Risk Assessment (HIRA) has been carried out for all the routine and non-routine activities carried out by all the departments in the factory.
- A formal procedure is adopted for carrying out HIRA across the factory. Activities involving 'Significant Risks' have been identified through HIRA. The HIRA register is reviewed annually or during any process changes or incidents.
- New processes, any change or modification to the existing process/equipment and installation of any new equipment is undertaken only after a Management of Change Study for ascertaining risks involved.
- HAZOP Study is carried out for process related modifications to identify and address process related risks.
- Safety audit of the whole factory is carried out by a third party agency annually.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

- Yes.
- Near Miss reporting system is established in the factory. Under this system, any employee can report potential unsafe conditions/work related hazards.
  - All near misses reported by employees are investigated and suitable recommendations are made to avoid their recurrence. Near misses reported are assessed by a committee and valid near misses are selected for reward.
  - Any process modification required to mitigate such hazard is carried out through Change Management System.
  - To recognize the efforts of employees in identifying and reporting hazards at work place, a monetary reward and an appreciation letter from the Unit Head is given to each employee who reports valid near miss.

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

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

Safety Incident/Number	Category	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Lost time Injury Frequency Rate (LTIFR) (per one million-person injuries)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries (LTA)	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequences work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- At MCF, Safety and health of the employees is given the highest priority. The company is certified for ISO 14001 & ISO 45001 standards for excellence in Safety, Health and Environmental Management Systems. Japanese 5'S' technique is adopted at all locations of the factory.

A dedicated Fire & Safety Department functions in the plant round the clock. A foam tender, a multi-purpose tender and an Ambulance are always kept ready for any response.

The Company has taken several measures to strengthen safety systems inside the factory.

- Natural Gas leak detectors and InfraRed-type flame detectors are installed in vicinity of natural gas handling areas of the entire plant.
- Ammonia gas leak detectors have been installed in all areas of ammonia handling.
- Hydrogen gas leak detectors have been installed in all areas of hydrogen and syngas handling.
- These gas detectors installed for early detection of any gas leaks and fires.
- The factory is protected by a well-laid fire hydrant system with dedicated fire hydrant pumps and water storage of adequate capacity. Fire detection and alarm system is installed in the buildings like MCC Rooms, Electrical Substation, DG Rooms, all Office areas, Main Stores, New cable gallery in Captive Power Plant, Panel area in MPSS and New PLC room to detect any fires at preliminary stages and alert the in-house Fire Station.
- Transformers are protected with High Velocity Water Spray System.
- The Engine Room of the Captive Power Plant is equipped with high-rate ventilating fans to prevent accumulation of flammable gas inside the building. The area is also protected by InfraRed-type flame detectors for early detection fires.
- 'Safe-Owl' – a new Fire & Safety Equipment Inspection software for logging the inspection data of various safety and firefighting equipment on an online platform is in place.
- Safety audit of the entire factory is conducted annually by third party.
- Plant personnel are provided with quality and reliable Personal Protective Equipment, carefully selected and procured from reputed manufacturers.
- Extensive training programmes related to fire prevention and basic firefighting, usage of breathing apparatus, usage of personal protective equipment, emergency management, work permit system, Safety, Health and Environment management system is regularly imparted to employees, workers and contractor's workers.
- A well-defined Emergency Preparedness Plan is in place and it is updated regularly.
- Regular mock drills are conducted to check the emergency preparedness.
- Promotional campaigns like National Safety Day, Fire Service Week and Chemical Disaster Prevention week are observed every year.
- Public Awareness Programmes are periodically conducted in various institutions and villages surrounding the factory to impart awareness on Company's Operations, Safety, and Environment Management Systems.

MCF has a well-equipped Occupational Health Centre. A qualified Doctor is in charge of the OHC and it is manned round the clock by qualified and trained Male Nurses.

- The OHC is equipped with 6 beds, the latest medical equipment, centralised oxygen system, automated external defibrillator, ECG machine, Oxygen concentrator, Suction apparatus etc.
- A comprehensive health check up is conducted for all employees of the company annually.
- Specialized health checkups like pulmonary function test, audiometry etc are conducted for employees working in specific zones.
- Additional health check ups are conducted for employees and contractors' employees working in canteen and food grade Ammonium Bi Carbonate plants.
- Regular Medical camps are organized at various places in the neighborhood areas of the factory under CSR.

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

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**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%
Working Conditions	100%

**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.**

Following correctives actions taken/underway to address significant risks arising from assessments of health & safety practices and working conditions-

- Flame proof fittings are being provided in DAP Plant battery room.
- Sprinkler system is installed for Ammonia Pumps in DAP Plant
- Moisture trap is provided for compressed air receiver V903
- Arrangements made for box up of the end flange of chemical unloading hoses in SNF Plant.
- Ordinary electrical fittings are being replaced with flame proof fittings in SNF Plant.
- Fire Extinguishers are provided for all unmanned Cable Gallery Rooms
- Exhaust fans provided in Urea/Ammonia UPS Batteries Rooms to improve Ventilation
- Double body earthing is provided for all motors in DAP Plant & Specialty Fertilizer Plants.
- Illumination is improved by additional lighting in DAP Silo working area & Main stores area.
- Soft start is provided for compressor motor in Sulphuric Acid Plant.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N) - Yes**

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

- Adherence to the applicable statutory provisions of laws with regard to payment and deduction of statutory dues is incorporated in the contract with the value chain partners. Further, the Company ensures that the same is complied by the value chain partners by obtaining proof of payments, verifying / matching details uploaded in Government portals etc., wherever feasible.

**3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been/are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment)**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Employees	0	0	0	0
Workers				

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No) - No**

**5. Details of assessment of value chain partners:**

- Not assessed

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	Nil
Working Conditions	Nil

**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

- None

## PRINCIPLE 4 - Business should respect the interest of and be responsive to all its stakeholders

### Essential Indicators

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

- The internal and external stakeholders who have a direct influence on Company's operations and activities are identified as key stakeholder groups.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, Notice Boards	Continuous	Purpose and scope of engagement is communication for attending queries / grievance / notice / complaints / Suggestion/concerns and providing response, solutions, and assurance.
Local communities	Yes	Newspapers, Meetings and others.	As required	
Customers	No	Pamphlets, Meetings, website	As required	
Investors and Stakeholders	No	Emails, Newspapers, Notice and Website	Quarterly/Half-yearly and Annually	
Suppliers and vendors	No	Emails	Continuous	
Government Bodies	No	Emails, website	Continuous	

### Leadership Indicators

#### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- The Company's management interacts with its key stakeholders i.e. investors, customers, suppliers, employees, etc. The management updates the progress on the actions taken to the Board and takes inputs and guidance from the Board periodically.

#### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No), If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities or the entity.

- Yes, the Company engages with its stakeholders in terms of identifying and prioritizing the issues pertaining to economic, environmental and social topics.

#### 3. Provide details of instances of engagement with and action taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Instances of engagements with vulnerable / marginalized stakeholder groups -

- Conducted health & eye camps, distribution of artificial limbs and hearing aids in presence of local public representatives.
- Literacy drive through conducting adult education programmes
- Distribution of assets and food kits
- Promoting hygiene and sanitation in rural areas by constructing toilets and providing drinking water facilities
- Providing cattle treatment facilities to farming communities

## 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 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (A)	No. of employees/workers covered (B)	% (B/A)
<b>Employees</b>						
Permanent	599	599	100	0	0	0
Other than permanent	0	0	0	0	0	0
Total Employees	599	599	100	0	0	0
<b>Workers</b>						
Permanent	6	6	100	0	0	0
Other than permanent	491	0	0	0	0	0
Total Workers	497	6	1.21	0	0	0

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

Category	FY 2022-2023 (Current Financial Year)					FY 2021-2022 (Previous Financial Year)				
	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)
<b>Employees</b>										
Permanent	599	0	0	599	100	643	0	0	643	100
Male	586	0	0	586	100	626	0	0	626	100
Female	13	0	0	13	100	17	0	0	17	100
Other than Permanent	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Workers</b>										
Permanent	6	0	0	6	100	8	0	0	8	100
Male	6	0	0	6	100	8	0	0	8	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	491	0	0	491	100	574	0	0	574	100
Male	476	0	0	476	100	559	0	0	559	100
Female	15	0	0	15	100	15	0	0	15	100

**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)*	5	5,00,000	1	5,00,000
Key Managerial Personnel	2	94,15,026	0	0
Employees other than BOD and KMP	584	6,42,078	13	9,27,168
Workers	6	6,02,361	0	0

\*excluding sitting fees, Whole-time Director included in Board of Directors category.

**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**

**5. Describe the internal mechanism in place to redress grievances related to human rights issues.**

- MCF is committed to providing a safe and positive work environment. In keeping with this philosophy, the organization envisages an open-door policy. Employees also have access to several forums where they can highlight matters or concerns faced at the workplace.

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

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	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	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labor	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labor/Involuntary Labor	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

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

- Grievance mechanism with respect to Code of Business Conduct is in place.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) - Yes

9. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	Nil
Forced/Involuntary labor	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others	Nil

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

- Not applicable.

### Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

- None

2. Details of the scope and coverage of any human rights due diligence conducted.

- Not conducted

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

- Corporate office is accessible

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labor	Nil
Forced Labor/Involuntary Labor	Nil
Wages	Nil
Others-please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

- Not applicable

### PRINCIPLE 6 - Businesses 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:

Parameter	FY 2022-2023 (Current Financial Year) (Giga Joules)	FY 2021-2022 (Previous Financial Year) (Giga Joules)
Total electricity consumption (A)	196688	182083
Total fuel consumption (B)	8896685	11527768
Energy consumption through other sources (C)	0	0
<b>Total energy consumption (A+B+C)</b>	<b>9093373</b>	<b>11709851</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.000250	0.000404
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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.**

- Urea production is identified under PAT Scheme, energy savings targets for the Company were achieved for PAT Cycle I and II, while targets are not assigned to fertilizer industries (Urea Sub-sector) thereafter.

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

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface (Municipality) water	2423250	2862850
(ii) Ground water	0	0
(iii) Third party water	0	0
(iv) Sea water/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)</b>	2423250	2862850
<b>Total volume of water consumption (in kiloliters)</b>	2423250	2862850
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>	0.000068	0.000096
<b>Water intensity (optional) – the relevant metric may be selected by the entity</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

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

- The company has implemented a mechanism for Zero Liquid Discharge (ZLD) in the year 2011. ZLD is achieved by treating the trade and domestic effluents in ETP and STPs and reusing it within the factory.

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

Parameter	Unit	FY2022-2023 (Current Financial Year)	FY2021-2022 (Previous Financial Year)
NOx	kg/t of Urea	0.345	0.649
Sox	Kg/t of Sulphuric Acid	0.941	1.025
Particulate matter (PM)	Kg/t of Urea	0.656	0.715
	Kg/t DAP+NP20	0.339	0.381
Persistent organic pollutants (POP)	-	Nil	
Volatile organic compounds (VOC)	-	Nil	
Hazardous air pollutants (HAP)	-	Nil	
Others – please specify	-	Nil	

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency - No

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

Parameter	Unit	FY2022-2023 (Current Financial Year)	FY2021-2022 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>2</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MTs of CO <sub>2</sub>	224845	269981
<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)	-	Not available	
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Kg/Re	0.006	0.009
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by external agency? 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.**

- Yes

- Ammonia Plant Revamp
  - Ammonia plant (Ammonia is an intermediate product in Urea production) was revamped in September 2022 (commissioning)



with aim to reduce specific energy consumption with an investment of INR 435 crore. Revamp was designed by Leading technology company KBR. The revamp of ammonia plant has resulted in reduction in specific consumption by 11.5%, with an increase of 25% production capacity. The reduction in specific energy consumption has reduced about 56 kg of Co2 /t of Urea.

- The revamp is an important milestone in history of the company as the plant is upgraded to latest technology, aged equipment is replaced with new generation equipment resulting in increased safety, efficiency and production.

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

Parameter	FY2022-2023 (Current Financial Year)	FY2021-2022 (Previous Financial Year)
<b>Total Waste generated (in metric tons)</b>		
Plastic waste (A)	1700	1600
E-waste (B)	21.18	5.77
Bio-medical waste (C)	0.109	0.126
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	6.2	5.090
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)		
Used oil	14.162	18.602
Waste oil	91.126	111.88
Spent catalyst	-	23.0
Discarded container	3.244	10.16
Spent cake	10.62	10.58
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)		
Metal and metal bearing waste	495.84	357.87
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>2342.481</b>	<b>2143.078</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)</b>		
Category of waste : Plastic Waste (A)		
(i) Recycled (as per EPR under Plastic waste Management Rules,2016)	1600	555.45
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>1600</b>	<b>555.45</b>
Category of waste: Hazardous Waste (G) Spent Cake		
(i) Recycled	0	0
(ii) Re-used	10.62	10.58
(iii) Other recovery operations	0	0
<b>Total</b>	<b>10.62</b>	<b>10.58</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>		
Category of waste: As given below		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	631.861	532.49

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.**

- Separate areas are created for collection of wastes. All types of wastes are segregated at sources and stored scientifically in their designated places and disposed through Pollution Control Board authorized waste handling agencies.

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: - No

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
Not Applicable					

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-compliance, in the following format: - Yes

Sl. No	Specify the law/ regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken if any
Not Applicable				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY2021-2022 (Previous Financial Year)
<b>From renewable sources (In Giga Joules, GJ)</b>		
Total electricity consumption (A)	1076	1141
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1076</b>	<b>1141</b>
<b>From non-renewable sources (In Giga Joules, GJ)</b>		
Total electricity consumption (D)	195612	180942
Total fuel consumption (E)	8896685	11527768
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources	9092297	11708710

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. Provide the following details related to water discharged:

Parameter	FY 2022-2023 (Current Financial Year)	FY2021-2022 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water	0	0
- No treatment		
- With treatment-please specify level of treatment		
(ii) To Ground water	0	0
- No treatment		
- With treatments – please specify level of treatment		
(iii) To Sea water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties	0	0
- No treatment		
- With treatment – please specify level of treatment		

Parameter	FY 2022-2023 (Current Financial Year)	FY2021-2022 (Previous Financial Year)
(v) Others	0	0
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. - No

### 3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- Name of the area – Panambur, Mangalore
- Nature of operations – Plant Operations such as cooling, process consumption, drinking
- Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY2021-2022 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	2423250	2862850
(ii) Ground water	0	0
(iii) Third party water	0	0
(iv) Sea water/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>2423250</b>	<b>2862850</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>2423250</b>	<b>2862850</b>
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover)	0.000068	0.000096
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	0	0
- No treatment		
- With treatment-please specify level of treatment		
(ii) Into Groundwater	0	0
- No treatment		
- With treatment-please specify level of treatment		
(iii) Into Seawater	0	0
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third parties	0	0
- No treatment		
- With treatment-please specify level of treatment		
(v) Others	0	0
- No treatment		
- With treatment-please specify level of treatment		
<b>Total water discharges (in kilolitres)</b>	<b>0</b>	<b>0</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. - No

### 4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY2021-2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tonnes	Not available	Not available
Total Scope 3 emissions per rupee of turnover	t/Re turnover	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. - No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

- Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiative, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Collective action taken, if any
1	Ammonia energy improvement project	Ammonia plant was revamped to reduce specific energy consumption at an investment of INR 435 crore.	Benefits are described under – Principle – 2, Question 1 in Essential Indicators.	-

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

- Yes. The company has a business continuity and disaster management plan.

#### Business Continuity Plan

Following Systems and procedures are in place at factory in case of major disruption due to fire, flood or any other act of God

- Gas leak detectors for NG and Hydrogen leaks.
- Earthing and bonding to prevent static charges.
- Safe shutdown system and high vents.
- The plant is designed for Wind Speed of 160 KM/Hr, Seismic Zone 3.
- Periodic Risk Based Inspection, Statutory Inspection, Annual Turn Around, RLA, replacement of aged equipment.
- Well laid underground Fire hydrant system
- Periodic mock drills
- Long term contracts for Raw material and water supplies
- Dedicated Fire & Safety Department

#### Disaster Management Plan

- Plants are equipped with Advanced Process Control, Safe shutdown System, Trip interlocks, Burner Management System.
- On-site Emergency plan is in place.
- Mutual Aid agreements with neighboring industries.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

- No significant adverse impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

- Not available

**PRINCIPLE 7 - Businesses, when engaged 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. - 10

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

Sl. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	Fertilizer Association of India, Delhi	National
2.	National Safety Council	National
3.	Construction Chemicals Manufacturers Association	National
4.	Karnataka Employers' Association	State

Sl. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
5.	State Fertilizer Marketing Association	State
6.	Institute of Fire Engineers (India)	National
7.	National Institute of Personnel Management	National
8.	Institute of Engineers	National
9.	Indian Medical Association	National
10.	Kanara Chamber of Commerce and Industry	State

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

Name of authority	Brief of the case	Corrective action taken
Nil		

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/others-please specify)	Web Link, if available
None					

### PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development

#### Essential Indicator

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not applicable					

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

Sl. No.	Name of the Project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. Describe the mechanism to receive and redress grievances of the community.

- We engage with the community through in-person meetings. We hold special events to interact with farmers and suppliers to engage with them and redress their grievances.

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

	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directly sourced from MSMEs/Small Producers	2.78%	3.43%
Sourced directly from within the district and neighboring districts	Data Not analysed	

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessment (Reference: Question 1 of Essential Indicators above):

Details of negative social impacts identified	Corrective action taken
Nil	Not applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sl. No.	State	Aspirational District	Amount spent (In INR)
1.	Karnataka	Raichur	9,11,786
2.	Karnataka	Yadagiri	8,21,280

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? - No**

**(b) From which marginalized/vulnerable groups do you procure? - Not applicable**

**(c) What percentage of total procurement (by value) does it constitute? - Not applicable**

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sl. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	Patents	No	No	-
2.	Trademark	No	No	-
3.	Copyrights	No	No	-

**5. Details of corrective actions taken on underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
	None	

**6. Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons % benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Mangala Raitha Pratibhe	458 Students	100%
2.	Sarwamangala Projects	2550 farmers beneficiaries	100%
3.	Mangala Akshara Mitra	2000 students	100%
4.	Health & Education of Migrants & Underprivileged communities	492 beneficiaries	100%
5.	Ecological Balance & Animal welfare	400 farmer beneficiaries (10 cow lifting machine)	100%
6.	Rural Development Projects to improve livelihood	1070 beneficiaries	100%

**PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanism in place to receive and respond to consumer complaints and feedback.**

- We have provided customer care number & email IDs in all our packages

**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	2.37%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

	FY2022-2023 (Current Financial Year)			FY2021-2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil

	FY2022-2023 (Current Financial Year)			FY2021-2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil

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

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

**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. Policy on Cyber Security is available on Company's Website: [https://www.mangalorechemicals.com/investor/investor\\_cyber\\_security\\_policy](https://www.mangalorechemicals.com/investor/investor_cyber_security_policy)

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essentials 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.**

- Not applicable

**Leadership Indicators**

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

- Information on products and services can be accessed through Company's Weblink - <https://www.mangalorechemicals.com>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

- MCFL is educating the consumers on safe & responsible use of products through farmer's awareness programmes like farmer's meetings, crop seminars, method demonstrations, field days and intensive consumer contact programmes and also through Jai Kisaan Farmer app.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

- MCFL is continuously in touch with its trade channel partners in addition to the periodic meets that are held. Through this medium, product as well as service-related updates are provided to the channel partners to keep them at pace with the market. Farmer awareness programmes are also held during which any updates can be conveyed by the business. COVID had also enabled connects with farmers on virtual mode and this mode of communication can also be tapped on need-basis.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).**

- Yes. All the declarations on the Company's packaging are based on the Fertilizer Control Order and Legal Metrology guidelines.

**5. Provide the following information relating to data breaches:**

- Number of instances of data breaches along-with impact - Nil
- Percentage of data breaches involving personally identifiable information of customers - Nil

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED

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

##### Opinion

We have audited the accompanying financial statements of Mangalore Chemicals & Fertilizers Limited ("the Company"), which comprise the balance sheet as at 31 March 2023, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

##### Emphasis of Matter

We draw attention to Note 22(g), which states that the Company had recognized urea subsidy income of INR 2,914 lakhs during the financial year 2020-21 considering that benchmarking of its cost of production of urea using Naphtha with that of gas-based urea manufacturing units is arbitrary and for which the Company had already filed a writ petition against the Department of Fertilizers before the Hon'ble High court of Delhi. Based on legal opinion obtained, the management believes that the criteria for recognition of subsidy revenue is met. Our opinion is not modified in respect of this matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sl. No.	Key Audit Matter (Refer Note 22 and 9 to the financial statements)	How our audit addressed the Key Audit Matter
1.	<p><b>Impact of government policies / notifications on recognition of concession income and its recoverability</b></p> <p>The Company recognises concession (subsidy) income receivable from the Department of Fertilizers, Government of India as per the New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic fertilizers at the time of sale of goods to its customers. During the current year, the Company has recognised concession income of INR 2,68,770.17 Lakhs and as at 31 March 2023 has receivables of INR 63,358.47 Lakhs relating to such income.</p> <p>We focused on this area because recognition of concession income and assessment of its recoverability is subject to significant judgement of interpretation of various notifications from the Department of Fertilizers.</p> <p>The area of judgement includes certainty around the satisfaction of conditions specified in the notifications and policies, collections and provisions thereof, likelihood of variation in the related computation rates, basis for determination of accruals of concession income and timely recoverability thereof.</p>	<p>Our audit procedures included among others, the following:</p> <ul style="list-style-type: none"> <li>• Read the relevant notifications and policies issued by the Department of Fertilizers to ascertain the recognition of concession income, adjustments thereto recognised pursuant to changes in the rates and basis for determination of concession income.</li> <li>• Obtained an understanding of the process and tested the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the concession income.</li> <li>• Evaluated the management's assessment regarding compliance with the relevant conditions as specified in the notifications and policies and collections of concession income.</li> <li>• Performed substantive procedures to understand and validate the basis of computation of concession income with underlying notifications and policies.</li> <li>• Tested the ageing analysis and assessed the information used by the management to determine the recoverability of the concession income by considering collections against historical trends.</li> <li>• Assessed the adequacy of the disclosures in the financial statements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report, corporate governance, Management Discussion & Analysis Report and business responsibility and sustainability report but does not include the financial statements and our auditors' report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the 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.

### Responsibilities of the Management and Board of Directors for Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Other Matters

The audited financial statements of the Company for the corresponding year ended 31 March 2022 prepared in accordance

## INDEPENDENT AUDITOR'S REPORT

with Ind AS included in these financial statements, have been audited by the predecessor auditors whose audit report dated 17 May 2022 expressed an unmodified opinion on those audited financial statements.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid 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 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements— Refer Note 7 and 35 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023; and
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities ("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 have been received by the company from any person(s) or entity(ies), including foreign entities ("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 such audit procedures that we have 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 (a) and (b) contain any material mis-statement.

- v. The dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 13 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

Seethalakshmi M  
Partner  
Membership No.208545  
UDIN :23208545BGVAIP2147

Place of Signature: Bangalore  
Date: May 11, 2023

## ANNEXURE A

**Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Mangalore Chemicals & Fertilizers Limited ("the Company") on the financial statements as of and for the year ended 31 March 2023.**

- (i) (a)
- (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of 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 note 3A to the financial statements, as confirmed by bank are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year and hence this clause is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
- a) The inventory, except goods in transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of goods-in-transit, subsequent goods receipts have been verified. In our opinion, the coverage and procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks
- are in agreement with the books of account of the Company.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees and security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore paragraph 3(iv) of the Order is not applicable to the Company.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under Sub-Section (1) of Section 148 of the Act in respect of the products/services of the Company. We have broadly reviewed the books of account maintained by the Company as specified under sub section (1) of section 148 of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- (vii)
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees state insurance, income-tax, and any other material statutory dues as applicable with the appropriate authorities.
- According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable.



## ANNEXURE A

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the Dues	Amount demanded (In Lakhs)	Amount paid (In Lakhs)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	358.04	52.89	FY 2013-14	The High Court of Karnataka
The Central Excise Act, 1944	Excise duty	638.96	-	FY 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
Karnataka Value Added Tax Act, 2003	Entry tax	423.44	-	FY 2011-12	The High Court of Karnataka
The Customs Act, 1962	Customs duty	315.10	9.17	FY 2011-12 to 2016-17	Customs, Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs duty	87.60	-	FY 2016-17	Commissioners of Customs, Nhava Sheva
The Customs Act, 1962	Customs duty	22.00	-	FY 2017-18	Additional Commissioners of Customs, Nhava Sheva
The Finance Act, 1994	Service tax	15.49	1.06	FY 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal

- (viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.
- (ix)
- (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and the records of the Company examined by us, there were no funds raised on short term basis have been used for long-term purposes by the Company. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and (f) of the Order is not applicable to the Company.
- (x)
- (a) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence the question of whether money raised were applied for the purposes for which those are raised does not arise. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Act have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during

## ANNEXURE A

the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the Indian accounting standard Related Party Disclosures (Ind AS 24)

- (xiv)
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) On the basis of the information and explanations given to us, 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) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).
  - (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
  - (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
  - (d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) Based on our audit procedures and according to the information and explanations given to us, the Company
- has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability 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) Based on our audit procedures and according to the information and explanations given to us, in respect of other than ongoing projects, the Company having spent the required amount, there is no amount pending to be transferred to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
  - (b) Based on our audit procedures and according to the information and explanations given to us, the company is not required to transfer unspent amount under sub-section (5) of section 135 of the said Act, pursuant to ongoing project to special account in compliance with provision of sub-section (6) of section 135 of the said Act. Accordingly, paragraph 3(xx)(b) of the Order is not applicable to the company.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**Seethalakshmi M**  
Partner  
Membership No. 208545  
UDIN :23208545BGVAIP2147

Place of Signature: Bangalore  
Date: May 11, 2023

## ANNEXURE B

### Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

#### Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of Mangalore Chemicals & Fertilizers Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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 with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**Seethalakshmi M**  
Partner  
Membership No. 208545  
UDIN :23208545BGVAIP2147

Place of Signature: Bangalore  
Date: May 11, 2023



## BALANCE SHEET AS AT MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	1,05,970.52	55,294.34
Capital work-in-progress	3A	1,408.49	31,738.51
Right-of-use assets	3B	1,620.84	1,859.41
Intangible assets	4	107.24	107.91
Financial assets			
(i) Investments	5	-	-
(ii) Others	6	594.71	616.86
Income tax assets (net)		144.08	185.83
Other non-current assets	7	627.64	1,286.27
		<b>1,10,473.52</b>	<b>91,089.13</b>
<b>Current assets</b>			
Inventories	8	24,113.96	42,977.47
Financial assets			
(i) Investments	5	0.10	0.10
(ii) Trade receivables	9	75,724.26	66,502.77
(iii) Cash and cash equivalents	10	32,979.95	48,207.20
(iv) Other bank balances	11	3,605.39	7,514.35
(v) Others	6	5,982.83	5,491.58
Other current assets	7	13,034.94	10,293.67
		<b>1,55,441.43</b>	<b>1,80,987.14</b>
		<b>2,65,914.95</b>	<b>2,72,076.27</b>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	11,854.87	11,854.87
Other equity	13	68,463.95	56,452.12
<b>Total equity</b>		<b>80,318.82</b>	<b>68,306.99</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	35,667.55	21,815.13
(ii) Lease liabilities	15	1,886.60	2,068.09
(iii) Others	16	-	15.14
Provisions	17	1,180.60	1,134.73
Deferred tax liabilities (net)	18	6,149.86	5,106.70
		<b>44,884.61</b>	<b>30,139.79</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	1,00,099.37	1,12,346.47
(ii) Lease liabilities	15	36.07	45.66
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	4,582.66	1,057.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	19,674.70	39,419.36
(iv) Others	16	12,820.50	17,072.72
Liabilities for current tax (net)		439.33	916.74
Other current liabilities	21	1,941.22	1,742.73
Provisions	17	1,117.67	1,027.96
<b>Total liabilities</b>		<b>1,40,711.52</b>	<b>1,73,629.49</b>
<b>Total equity and liabilities</b>		<b>2,65,914.95</b>	<b>2,72,076.27</b>

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 003990S/S200018

per **Seethalakshmi M**  
Partner  
Membership Number: 208545

Place of Signature: Bangalore  
Date: May 11, 2023

For and on behalf of the Board of Directors of  
Mangalore Chemicals and Fertilizers Limited

**Akshay Poddar**  
Chairman  
DIN: 00008686

**T.M. Muralidharan**  
Chief Financial Officer

**Nitin M Kantak**  
Whole-time Director  
DIN: 08029847

**Vijayamahantesh Khannur**  
Company Secretary

Date: May 11, 2023

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
Revenue from contracts with customers	22	3,64,152.40	2,89,558.30
Other income	23	3,064.62	2,427.06
<b>Total income</b>		<b>3,67,217.02</b>	<b>2,91,985.36</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	1,99,625.52	1,86,934.66
Purchases of traded goods	25	25,813.56	6,416.91
Change in inventories of finished goods, work-in-progress and traded goods	26	11,842.37	(13,122.69)
Employee benefits expense	27	6,917.18	6,962.64
Finance costs	28	10,437.76	4,940.42
Depreciation and amortisation expense	29	5,967.50	5,055.75
Other expenses	30	89,010.54	81,331.66
<b>Total expenses</b>		<b>3,49,614.43</b>	<b>2,78,519.35</b>
<b>Profit before tax</b>		<b>17,602.59</b>	<b>13,466.01</b>
<b>Tax expense</b>	31		
Current tax/ Minimum Alternate Tax		3,077.00	2,350.00
Deferred tax charge/(credit)		1,060.08	2,329.88
<b>Total tax expense</b>		<b>4,137.08</b>	<b>4,679.88</b>
<b>Profit for the year</b>		<b>13,465.51</b>	<b>8,786.13</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on defined benefit plan		(48.42)	(31.15)
Income tax effect on above		16.92	10.88
<b>Total other comprehensive income/(loss)</b>		<b>(31.50)</b>	<b>(20.27)</b>
<b>Total comprehensive income for the year</b>		<b>13,434.01</b>	<b>8,765.86</b>
<b>Earnings per equity share (in INR)</b>			
<b>[nominal value per share INR 10 (Previous year: INR 10)]</b>	32		
Basic		11.36	7.41
Diluted		11.36	7.41
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 003990S/S200018

per **Seethalakshmi M**  
Partner  
Membership Number: 208545

Place of Signature: Bangalore  
Date: May 11, 2023

For and on behalf of the Board of Directors of  
Mangalore Chemicals and Fertilizers Limited

**Akshay Poddar**  
Chairman  
DIN: 00008686

**T.M. Muralidharan**  
Chief Financial Officer

**Nitin M Kantak**  
Whole-time Director  
DIN: 08029847

**Vijayamahantesh Khannur**  
Company Secretary

Date: May 11, 2023

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A Operating activities</b>			
Profit before tax		17,602.59	13,466.01
<u>Adjustments to reconcile profit before tax to net cash flows:</u>			
Depreciation and amortisation expense	29	5,967.50	5,055.75
Net loss on disposal of property, plant and equipment	30	521.96	548.79
Fair value loss/(gain) on financial instruments at fair value through profit or loss		(245.25)	(663.65)
Unrealised foreign exchange differences (net)		(90.26)	812.83
Finance costs	28	10,437.76	4,940.42
Interest income	23	(2,522.18)	(1,928.40)
Provisions no longer required written back	23	(389.08)	(345.76)
<b>Operating profits before working capital changes</b>		<b>31,283.04</b>	<b>21,885.99</b>
<b>Working capital changes:</b>			
(Increase)/Decrease in Inventories		18,863.51	(24,839.21)
(Increase)/Decrease in Trade receivables		(9,221.49)	(15,644.24)
(Increase)/Decrease in Other financial assets		(57.25)	455.76
(Increase)/Decrease in Other assets		(2,705.44)	(1,095.95)
(Decrease)/increase in Trade payables		(16,131.79)	7,641.02
(Decrease)/increase in Other financial liabilities		50.18	3,713.43
(Decrease)/increase in Other current liabilities and provisions		643.90	976.12
		<b>(8,558.38)</b>	<b>(28,793.07)</b>
<b>Cash generated from / (used in) operations</b>		<b>22,724.66</b>	<b>(6,907.08)</b>
Income tax paid		(3,512.66)	(1,814.37)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>19,212.00</b>	<b>(8,721.45)</b>
<b>B Investing activities</b>			
Purchase of property, plant and equipment including capital work-in-progress and capital advances		(30,529.41)	(16,966.35)
Proceeds from sale of property, plant and equipment		228.48	12.41
Investments in bank deposits (having original maturity of more than three months)		(3,237.40)	(20,755.35)
Redemption/ maturity of bank deposits (having original maturity of more than three months)		7,143.66	18,195.81
Interest received		2,093.71	822.29
<b>Net cash flow (used in) investing activities (B)</b>		<b>(24,300.96)</b>	<b>(18,691.19)</b>
<b>C Financing activities</b>			
Proceeds from long-term borrowings		23,320.59	15,920.20
Repayment of long-term borrowings		(6,989.69)	(7,665.01)
Payment of principal portion of lease liabilities		(235.64)	(252.76)
Proceeds from/(repayment of) short-term borrowings (net)		(14,723.38)	38,811.17
Finance cost paid		(10,087.99)	(5,249.63)
Dividend paid to equity shareholders	13	(1,422.18)	(1,185.15)
<b>Net cash flow (used in)/from financing activities (C)</b>		<b>(10,138.29)</b>	<b>40,378.82</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(15,227.25)</b>	<b>12,966.18</b>
Cash and cash equivalents at the beginning of the year	10	48,207.20	35,241.02
<b>Cash and cash equivalents at the end of the year</b>		<b>32,979.95</b>	<b>48,207.20</b>
<b>Components of cash and cash equivalents</b>	10		
Cash on hand		2.26	2.80
Bank balances on current accounts		3,302.69	8,254.40
Bank balances on deposit accounts with original maturity of three months or less		29,675.00	39,950.00
<b>Total cash and cash equivalents</b>		<b>32,979.95</b>	<b>48,207.20</b>

The summary of changes in liabilities arising from financing activities is as below:

### Non-current borrowings (including current maturities)

At beginning of the year	14	28,607.88	20,358.76
Cash flow changes		16,330.90	8,255.19
Non-cash changes (foreign currency exchange difference)		-	(6.07)
At end of the year	14	<b>44,938.78</b>	<b>28,607.88</b>

### Current borrowings (excluding current maturities of long term borrowings)

At beginning of the year	19	105,553.72	65,871.61
Cash flow changes		(14,723.38)	38,811.17
Non-cash changes (foreign currency exchange difference)		(2.20)	870.94
At end of the year	19	<b>90,828.14</b>	<b>105,553.72</b>

### Lease Liabilities (including current maturities)

At beginning of the year	15	2,113.75	2,134.12
Cash flow changes		(33.59)	(36.26)
Non-cash changes		(157.49)	15.89
At end of the year	15	<b>1,922.67</b>	<b>2,113.75</b>

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For and on behalf of the Board of Directors of  
Mangalore Chemicals and Fertilizers Limited

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 003990S/S200018

**Akshay Poddar**  
Chairman  
DIN: 00008686

**Nitin M Kantak**  
Whole-time Director  
DIN: 08029847

per **Seethalakshmi M**  
Partner  
Membership Number: 208545

**T.M. Muralidharan**  
Chief Financial Officer

**Vijayamahantesh Khannur**  
Company Secretary

Place of Signature: Bangalore  
Date: May 11, 2023

Date: May 11, 2023

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### a) Equity share capital

#### Equity shares of INR 10 each issued, subscribed and fully paid

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	118,515,150	11,851.52	118,515,150	11,851.52
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	118,515,150	11,851.52	118,515,150	11,851.52
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>118,515,150</b>	<b>11,851.52</b>	<b>118,515,150</b>	<b>11,851.52</b>

In addition to above, equity share capital as at March 31, 2023 includes Forfeited Shares (amount paid-up) of INR 3.35 Lakhs (March 31, 2022: INR 3.35 Lakhs).

### b) Other equity

	Capital redemption reserve	General reserve	Retained earnings	Total
	Note 13	Note 13	Note 13	
Balance as at April 1, 2021	480.78	5,385.71	43,004.92	48,871.41
Changes in accounting policy/prior period errors	-	-	-	-
Profit for the year	-	-	8,786.13	8,786.13
Other comprehensive income	-	-	(20.27)	(20.27)
<b>Total comprehensive income</b>	-	-	8,765.86	8,765.86
Cash dividends (Refer Note 13)	-	-	(1,185.15)	(1,185.15)
<b>Balance as at March 31, 2022</b>	<b>480.78</b>	<b>5,385.71</b>	<b>50,585.63</b>	<b>56,452.12</b>
Balance as at April 1, 2022	480.78	5,385.71	50,585.63	56,452.12
Changes in accounting policy/prior period errors	-	-	-	-
Profit for the year	-	-	13,465.51	13,465.51
Other comprehensive income	-	-	(31.50)	(31.50)
<b>Total comprehensive income</b>	-	-	13,434.01	13,434.01
Cash dividends (Refer Note 13)	-	-	(1,422.18)	(1,422.18)
<b>Balance as at March 31, 2023</b>	<b>480.78</b>	<b>5,385.71</b>	<b>62,597.46</b>	<b>68,463.95</b>

Retained earnings - Retained earnings represent profits generated by the Company not distributed to shareholders.

Capital redemption reserve - The said reserve was created by way of transfer from general reserve on redemption of preference shares. This reserve account can be applied in paying up unissued shares to be issued to members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act, 1956, general reserve was created through transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the requirements of the Companies Act, 2013.

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

ICAI Firm Registration Number: 003990S/S200018

per **Seethalakshmi M**

Partner

Membership Number: 208545

Place of Signature: Bangalore

Date: May 11, 2023

For and on behalf of the Board of Directors of  
Mangalore Chemicals and Fertilizers Limited

**Akshay Poddar**

Chairman

DIN: 00008686

**T.M. Muralidharan**

Chief Financial Officer

Date: May 11, 2023

**Nitin M Kantak**

Whole-time Director

DIN: 08029847

**Vijayamahantesh Khannur**

Company Secretary

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 1. Corporate information

Mangalore Chemicals and Fertilizers Limited ("MCF" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru 560 001, Karnataka, India. The Company is primarily engaged in the manufacture, purchase and sale of fertilisers. The Company has manufacturing facility in India. Information on related party relationships of the Company is provided in Note 38.

The Ind AS financial statements were approved by the Board of Directors of the Company on May 11, 2023.

### 2. Basis of preparation of Ind AS financial statements

The Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Ind AS financial statements.

The Ind AS financial statements have been prepared on a historical cost basis, except for assets and liabilities which are required to be measured at fair value. The Ind AS financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The significant accounting policies adopted for preparation and presentation of these Ind AS financial statement have been applied consistently, except for the changes in accounting policy for amendments to the standard that were issued effective for the financial year beginning from on or after April 1, 2022 as stated in Note 2.3.

#### 2.1 Summary of significant accounting policies

##### (a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

##### (b) Foreign currencies

The Ind AS financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or the statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

##### (c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value 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 the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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 Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held

for sale in discontinued operations. External valuers are involved, wherever considered necessary.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### (d) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as a part of contract. The Company has concluded that it is the principal in its revenue arrangements.

Goods and Service Tax (GST) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2.

### *Sale of products*

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on dispatch of the product. The normal credit term is 15 to 120 days upon delivery.

Revenue from the sale of products, including concession receivable from the Government of India under the applicable New Pricing Scheme / Nutrient Based Subsidy Policy, is recognised when control of the products has transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue towards satisfaction of performance obligation is



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as a part of contract.

Concessions in respect of Urea, as notified under the New Pricing Scheme, is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments, as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for Phosphatic and Potassic (P&K) fertilisers is recognized as per the rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time.

Freight subsidy on Urea, Complex fertilisers, etc. is recognized in accordance with the specified parameters and notified rates.

In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any)

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception.

(ii) Significant financing component

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

*Sale of services*

Service income is recognized, on an accrual basis, at agreed rate in accordance with the terms of the agreement.

*Interest Income*

Interest income from dealers and others on delayed payments is recognized to the extent the Company is reasonably certain of their ultimate collection.

Other interest income is recognized using the effective interest rate (EIR) method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

### Contract balances

*Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

*Trade receivables*

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in paragraph (o) Financial Instruments.

*Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**(e) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**(f) Taxes**

*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged

to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### *Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses*

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **(g) Property, plant and equipment**

On transition to Ind AS i.e. 1 April 2015, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

Property, plant and equipment, capital work-in-progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost, otherwise, such items are classified as inventories.

Depreciation is calculated on a straight-line basis

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

over the useful lives of the assets, estimated by the management, as follows:

	<u>Useful life (years)</u>
Buildings	5 to 60
Railway sidings	15
Roads, drainage and culverts	5 to 30
Plant and equipment (continuous process plant)	25
Computer equipment	3 and 6
Electrical installations and fittings	10
Office equipment	5 and 15
Furniture and fixtures	10
Cranes and locomotives	15
Vehicles	8 and 10

For the purpose of depreciation calculation, residual value is determined as 5% of the original cost for all the assets, as estimated by the management basis independent assessment by an expert. The Company, based on assessment made by technical expert and management estimate, depreciates following assets, not included above, over the estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

- (i) The useful lives of components of certain plant and equipment are estimated as 2 to 20 years.
- (ii) Insurance/capital/critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/critical spares, whichever is lower.
- (iii) The useful lives of certain vehicles are estimated as 3 to 5 years.

Leasehold land is amortized on a straight-line basis over the period of lease.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (h) Intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### *Research and development costs*

Research costs are expensed as incurred. Development expenditures are recognised as intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale,
- intention to complete and its ability and intention to use or sell the asset,
- its future economic benefits,

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

- the availability of resources to complete the asset and
- the ability to measure reliably the expenditure during development.

Following initial recognition, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use.

### *Computer Software*

The computer software is amortised on a straight-line basis over the useful economic life of 5 years, as estimated by the management.

### (i) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### (j) **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **The Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use

assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section (I) Impairment of non-financial assets.

#### *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Borrowings.

#### *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. Effective April 1, 2019, the Company has adopted Ind AS 116 on Leases which replaces Ind AS 17 on Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The Company has used the modified retrospective approach for transition to Ind AS 116 and consequently comparatives for previous year have not been restated. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

This has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 2,015.20 Lakhs as at April 1, 2019. Right-of-use assets are depreciated over the lower of useful life of the asset or the lease term and interest on lease liabilities is recognized under finance costs. The net impact of adopting this standard on the statement of profit and loss and earnings per share is not material. Refer disclosures included in Note 33 for details.

### The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### (k) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

- Finished goods and Work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.
- Traded Goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost is determined on a moving weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### (l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### (m) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no

obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Company has established a Superannuation Fund Trust to which contributions are made each month. The Company recognizes contribution payable to the superannuation fund scheme as expenditure, when an employee renders the related service. The Company has no other obligations beyond its monthly contributions.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

### (o) 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.

#### Financial assets

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### Debt instrument at FVTOCI

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### *De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### *Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has

not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For recognition of impairment loss on other financial assets and risk exposure, the Company categorizes them into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When financial assets are first recognized, the Company recognizes an allowance based on 12 months ECLs.

Stage 1 financial assets also include facilities where the credit risk has improved, and the financial assets has been reclassified from Stage 2.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime ECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the financial assets has been reclassified from Stage 3.

Stage 3: Financial assets considered credit impaired. The Company records an allowance for the lifetime ECLs.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

#### Loans and borrowings

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets.

A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (p) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, currency and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss.

### (q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### (r) Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### (s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements.

### (t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (u) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## 2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

The Company bases its assumptions and estimates on parameters available when the Ind AS financial statements are 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. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the Ind AS financial statements are as below:

#### *Revenue from contracts with customers*

Concessions in respect of urea, as notified under the New Pricing Scheme, is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments, as estimated by the management in accordance with the known policy parameters in this regard. The Company recognises urea concession income from the Government of India ("GOI") based on estimates as per the GOI notification dated June 17, 2015 and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme.

Also, the Company determines and updates its assessment of expected rebates periodically and the accruals are adjusted accordingly. Estimates of expected rebates are

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

sensitive to changes in circumstances and the Company's past experience regarding these amounts may not be representative of actual amounts in the future.

### *Property, plant and equipment*

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

### *Impairment of financial and non-financial assets*

Significant management judgement is required to determine the amounts of impairment loss on the financial and non-financial assets. The calculations of impairment loss are sensitive to underlying assumptions.

### *Tax provisions and contingencies*

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### *Defined benefit plans*

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary

increases and gratuity increases are based on expected future inflation rates.

### *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## 2.3 Changes in accounting policies and disclosures

### **New and amended standards**

The Company applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after April 01, 2022. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective.

#### **(i) Ind AS 103 Business Combination**

Identified assets acquired and liabilities assumed (including contingent assets and contingent liabilities) must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the Institute of Chartered Accountants of India (ICAI).

#### **(ii) Ind AS 109 Financial Instruments**

Guidance provided on identifying substantial modification of the terms of an existing financial liability basis difference in discounted present value of the cash flows between old and new terms.

#### **(iii) 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.

#### **(iv) 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 related 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

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments had no impact on the financial statements of the Company.

### 2.4 Standards issued but not yet effective

Ministry of Corporate Affairs (MCA), on March 31, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1st April 2023. Following are few key amendments relevant to the Company:

#### (i) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting

Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

#### (ii) Ind AS 107 – Financial Instruments: Disclosures

Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

#### (iii) Ind AS 8 – Accounting policies, changes in accounting estimate and errors

Clarification on what constitutes an accounting estimate provided.

#### (iv) Ind AS 12 – Income Taxes

In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

- a. The Company is in the process of evaluating the impact of the above amendments which is not expected to have any material impact on the financial statements of the Company. It may be noted that we expect there would be a change in Accounting policies section of the financial statements as the standard would require presentation of 'material accounting policies' as against 'significant accounting policies' disclosed so far.

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## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 3A. Property, plant and equipment

	Cost			Depreciation				Net book value	
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	On Disposals	As at March 31, 2023	As at March 31, 2023
Freehold land	6,817.79	-	-	6,817.79	-	-	-	-	6,817.79
Buildings	5,227.26	-	126.30	5,100.96	1,121.45	156.45	64.50	1,213.40	3,887.56
Railway sidings	733.07	-	-	733.07	328.57	59.45	-	388.02	345.05
Roads, drainage and culverts	428.47	-	15.99	412.48	249.50	20.60	14.76	255.34	157.14
Plant and equipment <sup>(a)</sup>	66,563.69	57,097.26	2,152.06	121,508.89	23,290.81	5,449.37	1,481.64	27,258.54	94,250.35
Electrical installations and fittings	259.06	-	14.36	244.70	169.50	17.55	12.53	174.52	70.18
Office equipment	390.23	65.34	8.88	446.69	263.08	30.22	1.55	291.75	154.94
Furniture and fixtures	366.08	4.60	58.05	312.63	243.59	18.87	52.44	210.02	102.61
Cranes and locomotives	207.07	-	0.08	206.99	126.78	19.68	0.06	146.40	60.59
Vehicles - Owned	219.71	61.70	9.11	272.30	124.81	30.09	6.91	147.99	124.31
<b>Total</b>	<b>81,212.43</b>	<b>57,228.90</b>	<b>2,384.83</b>	<b>136,056.50</b>	<b>25,918.09</b>	<b>5,802.28</b>	<b>1,634.39</b>	<b>30,085.98</b>	<b>105,970.52</b>

Opening Additions Capitalised Closing

**Capital work-in-progress <sup>(a)</sup> 31,738.51 26,898.88 57,228.90 1,408.49**

### Previous year

	Cost			Depreciation				Net book value	
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	On Disposals	As at March 31, 2022	As at March 31, 2022
Freehold land	6,817.79	-	-	6,817.79	-	-	-	-	6,817.79
Buildings	5,227.26	-	-	5,227.26	958.97	162.48	-	1,121.45	4,105.81
Railway sidings	586.78	157.31	11.02	733.07	276.96	61.88	10.27	328.57	404.50
Roads, drainage and culverts	428.47	-	-	428.47	227.48	22.02	-	249.50	178.97
Plant and equipment <sup>(a)</sup>	64,728.70	2,744.17	909.18	66,563.69	19,135.35	4,510.19	354.73	23,290.81	43,272.88
Electrical installations and fittings	259.34	-	0.28	259.06	152.15	17.57	0.22	169.50	89.56
Office equipment	351.18	40.64	1.59	390.23	233.73	30.36	1.01	263.08	127.15
Furniture and fixtures	359.31	6.77	-	366.08	224.70	18.89	-	243.59	122.49
Cranes and locomotives	207.07	-	-	207.07	106.01	20.77	-	126.78	80.29
Vehicles - Owned	255.08	0.36	35.73	219.71	125.73	29.45	30.37	124.81	94.90
<b>Total</b>	<b>79,220.98</b>	<b>2,949.25</b>	<b>957.80</b>	<b>81,212.43</b>	<b>21,441.08</b>	<b>4,873.61</b>	<b>396.60</b>	<b>25,918.09</b>	<b>55,294.34</b>

Opening Additions Capitalised Closing

**Capital work-in-progress <sup>(a)</sup> 7,826.17 26,861.59 2,949.25 31,738.51**

(a) Plant and machinery and capital work-in-progress additions during the period includes INR 1,331.91 Lakhs (March 31, 2022 : INR Nil) and INR 17.97 Lakhs (March 31, 2022: INR 1,388.84 Lakhs), respectively, towards capitalisation of borrowing cost. The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.27% (March 31, 2022 : 8.17%), which is the average interest rate of borrowings.

(b) Refer Note 14 and 19 for details of property, plant and equipment pledged as security.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### (c) Capital work-in-progress (CWIP) Ageing Schedule

#### As at March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	830.60	451.21	4.22	2.26	1,288.29
Projects temporarily suspended**	-	-	3.54	116.66	120.20
<b>Total</b>	<b>830.60</b>	<b>451.21</b>	<b>7.76</b>	<b>118.92</b>	<b>1,408.49</b>

\*\* Project studies were conducted for certain projects which are valid and the projects are to be taken up at later stage.

#### As at March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	24,242.76	3,592.61	1,023.06	2,759.88	31,618.31
Projects temporarily suspended**	-	3.54	73.16	43.50	120.20
<b>Total</b>	<b>24,242.76</b>	<b>3,596.15</b>	<b>1,096.22</b>	<b>2,803.38</b>	<b>31,738.51</b>

\* The Company envisaged Ammonia Energy Improvement Project [AEIP] 3 years ago and substantial progress happened during the Financial year 2022-23, and commissioned in Financial year ending March 31, 2023.

\*\* Project studies were conducted for certain projects which are valid and the projects are to be taken up at later stage.

### 3B. Right-of-use assets

	Cost				Depreciation			Net book value	
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	On Disposals	As at March 31, 2023	As at March 31, 2023
	Right-of-use land (Refer Note 33)	1,989.94	-	-	1,989.94	289.58	96.52	-	386.10
Right-of-use buildings (Refer Note 33)	233.10	-	189.98	43.12	74.05	15.42	63.35	26.12	17.00
<b>Total</b>	<b>2,223.04</b>	<b>-</b>	<b>189.98</b>	<b>2,033.06</b>	<b>363.63</b>	<b>111.94</b>	<b>63.35</b>	<b>412.22</b>	<b>1,620.84</b>

#### Previous year

	Cost				Depreciation			Net book value	
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	On Disposals	As at March 31, 2022	As at March 31, 2022
	Right-of-use land (Refer Note 33)	1,989.94	-	-	1,989.94	193.05	96.53	-	289.58
Right-of-use buildings (Refer Note 33)	231.69	15.89	14.48	233.10	57.02	31.51	14.48	74.05	159.05
<b>Total</b>	<b>2,221.63</b>	<b>15.89</b>	<b>14.48</b>	<b>2,223.04</b>	<b>250.07</b>	<b>128.04</b>	<b>14.48</b>	<b>363.63</b>	<b>1,859.41</b>



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 4. Intangible assets

	Cost			Amortisation				Net book value	
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	On Disposals	As at March 31, 2023	As at March 31, 2023
Computer software	302.89	52.62	-	355.51	194.99	53.28	-	248.27	107.24
<b>Total</b>	<b>302.89</b>	<b>52.62</b>	<b>-</b>	<b>355.51</b>	<b>194.99</b>	<b>53.28</b>	<b>-</b>	<b>248.27</b>	<b>107.24</b>

### Previous year

	Cost			Amortisation				Net book value	
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	On Disposals	As at March 31, 2022	As at March 31, 2022
Computer software	289.84	13.05	-	302.89	140.89	54.10	-	194.99	107.91
<b>Total</b>	<b>289.84</b>	<b>13.05</b>	<b>-</b>	<b>302.89</b>	<b>140.89</b>	<b>54.10</b>	<b>-</b>	<b>194.99</b>	<b>107.91</b>

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022

### 5. Financial assets - Investments

(Unquoted)

Investments at fair value through profit or loss

Bangalore Beverages Limited [200,000 (March 31, 2022: 200,000) Redeemable cumulative preference shares of Re. 1 each with coupon rate of 10% p.a. repayable after 20 years]	20,000.00	20,000.00	-	-
Less: Provision for impairment in value of investment	(20,000.00)	(20,000.00)	-	-
Aditya Birla Sun Life Low Duration Fund - Growth Regular Plan [22.199 (March 31, 2022: 22.199) units of INR 561.95 (March 31, 2022: INR 535.94) each]	-	-	0.10	0.10
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>0.10</b>
Aggregate amount of unquoted investment (gross)	20,000.00	20,000.00	0.10	0.10
Aggregate amount of impairment in value of investment	20,000.00	20,000.00	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>6. Financial assets - Others</b>				
<u>Financial assets at fair value through profit or loss</u>				
Derivatives not designated as hedges*	-	-	26.61	43.23
<u>Financial assets at amortised cost</u>				
Security deposits	594.71	616.86	-	-
Rebate/discount receivable from suppliers	-	-	938.31	1,377.77
Other receivable	-	-	518.86	-
Interest accrued on deposits and receivables				
Related parties (Refer Note 38)	-	-	4,348.45	4,010.72
Others	-	-	150.60	59.86
<b>Total</b>	<b>594.71</b>	<b>616.86</b>	<b>5,982.83</b>	<b>5,491.58</b>

\*Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

### 7. Other assets

#### Unsecured, considered good

Capital advances	313.07	935.87	-	-
Advances other than capital advances				
Advance to a related party (Refer Note 38)	-	-	-	1,980.00
Advance to suppliers	-	-	181.52	185.19
Employees and other advances	-	-	5.73	19.64
Prepaid expenses	314.57	350.40	1,446.95	1,773.22
Goods and Services Tax (GST) refund receivable	-	-	8,929.24	2,442.30
Balance with statutory/government authorities	-	-	2,471.50	3,893.32
<b>Total</b>	<b>627.64</b>	<b>1,286.27</b>	<b>13,034.94</b>	<b>10,293.67</b>

#### Unsecured, Credit impaired

Advances other than capital advances				
Advances to United Breweries (Holdings) Limited	1,668.20	1,668.20	-	-
Balance with statutory/government authorities	-	-	1,155.22	1,192.26
Less: Provision for impairment of other asset	(1,668.20)	(1,668.20)	(1,155.22)	(1,192.26)
<b>Total</b>	<b>627.64</b>	<b>1,286.27</b>	<b>13,034.94</b>	<b>10,293.67</b>

(a) There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other person or advances to firms or private companies, respectively, in which any director is a partner or a director or a member.

(b) The GST authorities have denied and recalled refund of certain GST credits and the Board of Directors of the company, based on the legal opinion, consider that the refunds are in accordance with the law, the matter is currently sub-judice and no quantification is made.

	As at March 31, 2023	As at March 31, 2022
<b>8. Inventories</b>		
(valued at lower of cost and net realisable value)		
Raw materials and packing materials	13,851.83	20,395.17
[includes in transit - INR 968.84 Lakhs (March 31, 2022: INR 7,847.92 Lakhs)]		
Work-in-progress	196.73	35.27
Finished goods	1,850.61	18,439.38
Traded goods [includes in transit INR Nil (March 31, 2022: INR Nil Lakhs)]	4,735.43	150.49
Stores and spares [includes in transit INR 30.65 Lakhs (March 31, 2022: INR 92.87 Lakhs)]	3,479.36	3,957.16
<b>Total</b>	<b>24,113.96</b>	<b>42,977.47</b>

During the year, an amount of INR Nil (Previous year: INR 119.37 Lakhs) was recognised as an expense for inventories carried at net realisable values.

Refer Note 19 for details of charge

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2023	As at March 31, 2022
<b>9. Trade receivables</b>		
Trade receivables	67,439.85	58,519.54
Receivables from related parties (Refer Note 38)	8,284.41	7,983.23
<b>Total</b>	<b>75,724.26</b>	<b>66,502.77</b>

### Break-up for security details:

#### Trade receivables

Secured, considered good	4,675.37	4,311.66
Unsecured, considered good	71,048.89	62,191.11
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	1,646.61	1,737.25
	<b>77,370.87</b>	<b>68,240.02</b>

#### Impairment Allowance (allowance for bad and doubtful debts)

Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	(1,646.61)	(1,737.25)
	<b>75,724.26</b>	<b>66,502.77</b>

- (a) Trade receivables include concession/subsidy receivable from the Government of India of INR 63,358.47 Lakhs (March 31, 2022: INR 57,679.74 Lakhs).
- (b) No debts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Also, no debts are due from firms or private companies, respectively, in which any director is a partner or a director or a member.
- (c) Trade receivables from dealers (other than related parties) are non-interest bearing during normal credit period and are generally on terms of 15 to 120 days. Management is of the view that there are no receivables included above which have significant increase in credit risk other than that already impaired as per management assessment.
- (d) For terms and conditions relating to related party receivables, refer Note 38.
- (e) Trade receivables Ageing Schedule

As at March 31, 2023

	Outstanding for following periods from due date of payment						Total
	Current but not due*	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	37,376.42	26,574.89	136.56	200.11	2,729.17	5,793.11	72,810.26
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	16.51	89.02	1,541.08	1,646.61
Disputed Trade receivables – considered good	-	-	-	-	2,914.00	-	2,914.00
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>37,376.42</b>	<b>26,574.89</b>	<b>136.56</b>	<b>216.62</b>	<b>5,732.19</b>	<b>7,334.19</b>	<b>77,370.87</b>

\* Includes unbilled subsidy outstanding of INR 31,776.03 Lakhs.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

As at March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Current but not due**	Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	49,712.38	5,711.03	17.87	3,979.71	4,167.78	-	63,588.77
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	64.20	503.91	1,169.14	1,737.25
Disputed Trade receivables – considered good	-	-	-	2,914.00	-	-	2,914.00
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>49,712.38</b>	<b>5,711.03</b>	<b>17.87</b>	<b>6,957.91</b>	<b>4,671.69</b>	<b>1,169.14</b>	<b>68,240.02</b>

\*\* Includes unbilled subsidy outstanding of INR 48,695.80 Lakhs.

(f) Refer Note 19 for details of charge.

	As at March 31, 2023	As at March 31, 2022
<b>10. Cash and cash equivalents</b>		
Balances with banks		
- On current accounts	3,302.69	8,254.40
- On deposits accounts with original maturity of three months or less	29,675.00	39,950.00
Cash on hand	2.26	2.80
<b>Total</b>	<b>32,979.95</b>	<b>48,207.20</b>

Cash and cash equivalent balances don't include any amounts which are not available for use by the Company.

### 11. Other bank balances

Bank balances on unpaid dividend accounts*	119.46	122.16
Bank deposits with original maturity of 12 months or less but more than 3 months	5.21	2,000.00
Margin money deposits	3,480.72	5,392.19
<b>Total</b>	<b>3,605.39</b>	<b>7,514.35</b>

\* The Company can utilise these balances only towards settlement of respective unpaid dividend amounts.

### Break-up of financial assets carried at amortised cost

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivables (Refer Note 9)	-	-	75,724.26	66,502.77
Cash and cash equivalents (Refer Note 10)	-	-	32,979.95	48,207.20
Other bank balances (Refer Note 11)	-	-	3,605.39	7,514.35
Others (Refer Note 6)	594.71	616.86	5,956.22	5,448.35
<b>Total</b>	<b>594.71</b>	<b>616.86</b>	<b>1,18,265.82</b>	<b>1,27,672.67</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2023	As at March 31, 2022
<b>12. Equity share capital</b>		
<b>Authorised share capital</b>		
12,40,00,000 (March 31, 2022: 12,40,00,000) equity shares of INR 10 each	12,400.00	12,400.00
6,00,000 (March 31, 2022: 6,00,000) 13% redeemable cumulative preference shares of INR 100 each	600.00	600.00
	<b>13,000.00</b>	<b>13,000.00</b>
<b>Issued shares</b>		
12,00,00,044 (March 31, 2022: 12,00,00,044) equity shares of INR 10 each	12,000.00	12,000.00
	<b>12,000.00</b>	<b>12,000.00</b>
<b>Subscribed and fully paid-up shares</b>		
11,85,15,150 (March 31, 2022: 11,85,15,150) equity shares of INR 10 each	11,851.52	11,851.52
Forfeited shares (amount originally paid-up)	3.35	3.35
	<b>11,854.87</b>	<b>11,854.87</b>

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2023		As at March 31, 2022	
	Nos.	INR in Lakhs	Nos.	INR in Lakhs
At the beginning of the year	11,85,15,150	11,851.52	11,85,15,150	11,851.52
Changes during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>11,85,15,150</b>	<b>11,851.52</b>	<b>11,85,15,150</b>	<b>11,851.52</b>

### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares issued and paid-up having a par value of INR 10 per share. Each holder of equity share is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

### (c) Details of shareholders holding more than 5% of the shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Nos.	%	Nos.	%
<u>Equity shares of INR 10 each fully paid</u>				
Zuari Agro Chemicals Limited (Holding Company)	64,028,362	54.03%	64,028,362	54.03%

### (d) Details of Shares held by Promoters of the Company

#### As at March 31, 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Shradha Agarwala	200,000	-	200,000	0.17%	0.00%
Jyotsna Poddar	157,152	-	157,152	0.13%	0.00%
Gaurav Agarwala	150,000	-	150,000	0.13%	0.00%
Akshay Poddar	1,218,503	183,928	1,402,431	1.18%	0.16%
Zuari Agro Chemicals Limited	64,028,362	-	64,028,362	54.03%	0.00%
Adventz Finance Private Limited	4,350,361	-	4,350,361	3.67%	0.00%
United Breweries Holdings Limited	-	-	-	0.00%	0.00%
Kingfisher Finvest India Limited	-	-	-	0.00%	0.00%
Mcdowell Holdings Limited	1,257,186	-	1,257,186	1.06%	0.00%
Zuari Industries Limited	306,194	-	306,194	0.26%	0.00%
<b>Total</b>	<b>71,667,758</b>	<b>183,928</b>	<b>71,851,686</b>	<b>60.63%</b>	

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### As at March 31, 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Shradha Agarwala	200,000	-	200,000	0.17%	0.00%
Jyotsna Poddar	157,152	-	157,152	0.13%	0.00%
Gaurav Agarwala	150,000	-	150,000	0.13%	0.00%
Akshay Poddar	959,359	259,144	1,218,503	1.03%	0.22%
Zuari Agro Chemicals Limited	64,028,362	-	64,028,362	54.03%	0.00%
Adventz Finance Private Limited	4,075,361	275,000	4,350,361	3.67%	0.23%
United Breweries Holdings Limited	-	-	-	0.00%	0.00%
Kingfisher Finvest India Limited	-	-	-	0.00%	0.00%
Mcdowell Holdings Limited	1,257,186	-	1,257,186	1.06%	0.00%
Zuari Industries Limited	306,194	-	306,194	0.26%	0.00%
<b>Total</b>	<b>71,133,614</b>	<b>534,144</b>	<b>71,667,758</b>	<b>60.47%</b>	

As per records of the Company, the above shareholding represents legal ownership of shares.

No shares have been issued for consideration other than cash for a period of five years immediately preceding the reporting date.

	As at March 31, 2023	As at March 31, 2022
<b>13. Other equity</b>		
<b>Capital redemption reserve</b>		
Balance as per last financial statements	480.78	480.78
Changes during the year	-	-
Closing balance	<b>480.78</b>	<b>480.78</b>
<b>General reserve</b>		
Balance as per last financial statements	5,385.71	5,385.71
Changes during the year	-	-
Closing balance	<b>5,385.71</b>	<b>5,385.71</b>
<b>Retained earnings*</b>		
Balance as per last financial statements	50,585.63	43,004.92
Add: Profit for the year	13,465.51	8,786.13
Add: Other comprehensive (loss)/income	(31.50)	(20.27)
Less: Appropriations		
Final equity dividend [amount per share Re. 1.20 (Previous year: Re. 1.00 per share)]	1,422.18	1,185.15
Closing balance	<b>62,597.46</b>	<b>50,585.63</b>
<b>Total Other Equity</b>	<b>68,463.95</b>	<b>56,452.12</b>

\*Includes INR 5,762.19 Lakhs as at March 31, 2023 (March 31, 2022: INR 5,851.55 Lakhs) relating to revaluation of property, plant and equipment.

### Distribution made and proposed

#### Dividends on equity shares declared and paid:

Dividend for the year ended March 31, 2022: Re. 1.20 per share (Previous year: Re. 1.00 per share)	1,422.18	1,185.15
	<b>1,422.18</b>	<b>1,185.15</b>

#### Proposed dividends on equity shares:

Dividend for the year ended March 31, 2023: Re. 1.50 per share (Previous year: Re. 1.20 per share)	1,777.73	1,422.18
	<b>1,777.73</b>	<b>1,422.18</b>

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at year end.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 14. Non-current borrowings

	As at March 31, 2023	As at March 31, 2022
<u>Secured (at amortised cost)</u>		
Indian currency term loans from banks	44,887.50	28,271.75
Indian currency vehicle loans from bank	51.28	3.16
	<b>44,938.78</b>	<b>28,274.91</b>
<u>Unsecured (at amortised cost)</u>		
Foreign currency term loans from bank	-	332.97
	-	<b>332.97</b>
<b>Total</b>	<b>44,938.78</b>	<b>28,607.88</b>
Less: Amount disclosed under the head "Current Borrowings" (Refer Note 19)	<b>(9,271.23)</b>	<b>(6,792.75)</b>
<b>Non-current borrowings</b>	<b>35,667.55</b>	<b>21,815.13</b>

#### Secured borrowings

##### Indian currency term loans

Term loan from a bank of INR 1,997.46 Lakhs (including current maturities of INR 1,997.46 Lakhs) [March 31, 2022: INR 3,988.61 Lakhs (including current maturities of INR 1,996.37 Lakhs)] carries interest in the range of 8.00% p.a. [March 31, 2022 :8.00% p.a. to 11.50% p.a.] The loan is repayable in 20 equal quarterly installments starting from June 2019 with the last instalment due on March 2024. The loan is secured by first pari-passu charge on all movable and immovable fixed assets (alongwith working capital lenders), other than fixed assets exclusively charged to other lenders.

Term loan from a bank of INR 1,495.80 Lakhs (including current maturities of INR 1,495.80 Lakhs) [March 31, 2022: INR 2,486.83 Lakhs (including current maturities of INR 996.31 Lakhs)] carries interest in the range of 9.30% p.a. to 10.80% p.a. [March 31, 2022 : 9.30% p.a. to 9.35% p.a.] The loan is repayable in 20 quarterly installments starting from June 2019 with the last instalment due on March 2024. The loan is secured by first pari-passu charge on all movable and immovable fixed assets, both present and future (other than fixed assets exclusively charged to other lenders) and second pari-passu charge on all current assets, both present and future.

Term loan from a bank of INR Nil (including current maturities of INR Nil Lakhs) [March 31, 2022: INR 5,921.78 Lakhs (including current maturities of INR 3,196.08 Lakhs)] carries interest in the range of 6.96% p.a. to 9.70% p.a. [March 31, 2022 : 6.26% p.a. to 6.96% p.a.] The loan is repayable in 15 quarterly installments starting from December 2019 with the last instalment due on February 2024. The loan is secured by first pari-passu first charge over all movable and immovable fixed assets including plant and machinery of the Company (excluding assets exclusively charged to other banks) and first pari-passu with any other security provided to any other lenders including working capital lenders.

Term loan from a bank of INR 16,962.30 Lakhs (including current maturities of INR 1,212.02 Lakhs) [March 31, 2022: INR 5,316.21 Lakhs (including current maturities of INR Nil)] carries interest in the range of 9.95% p.a. to 10.30% p.a. [March 31, 2022 : 9.95% p.a.] The loan is repayable in 28 quarterly installments starting from November 2023 with the last instalment due on August 2030. The loan is secured by first pari-passu first charge on movable fixed assets to be created from proceeds of the facility for improvement in Energy Efficiency Project of the urea plant, with other participating lenders and first pari-passu charge over all movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

Term loan from a bank of INR 7,103.09 Lakhs (including current maturities of INR 1,057.60 Lakhs) [March 31, 2022: INR 3,408.12 Lakhs (including current maturities of INR 267.86 Lakhs)] carries interest in the range of 10.00% p.a. to 10.95% p.a. [March 31, 2022 : 10.00% p.a.] The loan is repayable in 28 quarterly installments starting from March 2023 with the last instalment due on December 2029. The loan is secured by first pari-passu first charge on all fixed assets to be created out of the proposed EIP project, with other participating lenders and first pari-passu charge over all movable and immovable fixed assets of the Company excluding the fixed assets charged specifically to the term lenders.

Term loan from a bank of INR 3,283.08 Lakhs (including current maturities of INR 118.61 Lakhs) [March 31, 2022: INR 3,242.40 Lakhs (including current maturities of INR Nil)] carries interest in the range of 9.50% p.a. to 10.35% p.a. [March 31, 2022 : 9.50% p.a.] The loan is repayable in 28 quarterly installments starting from January 2024 with the last instalment due on October 2030. The loan is secured by first pari-passu first charge on movable fixed assets to be created from proceeds of the facility for improvement in Energy Efficiency Project of the urea plant, with other participating lenders and first pari-passu charge over movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

Term loan from a bank of INR 3,931.39 Lakhs (including current maturities of INR 657.49 Lakhs) [March 31, 2022: INR 3,907.80 Lakhs (including current maturities of INR Nil)] carries interest in the range of 8.65% p.a. to 9.70% p.a. [March 31, 2022: 8.65% p.a.] The loan is repayable in 18 quarterly installments starting from August 2023 with the last instalment due on November 2027. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company, excluding those exclusively charged to other term lenders (including long term loans availed for the energy efficiency capital expenditure).



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Term loan from a bank of INR 4,926.43 Lakhs (including current maturities of INR Nil) [March 31, 2022: INR Nil (including current maturities of INR Nil)] carries interest rate of 8.95% p.a. [March 31, 2022 : Nil % p.a.] The loan is repayable in 10 quarterly installments starting from April 2024 with the last instalment due on July 2026. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company, excluding those exclusively charged to other term lenders (including long term loans availed for the energy efficiency capital expenditure).

Term loan from a bank of INR 2,470.52 Lakhs (including current maturities of INR Nil) [March 31, 2022: INR Nil (including current maturities of INR Nil)] carries interest rate of 9.25% p.a. [March 31, 2022 : Nil % p.a.] The loan is repayable in 15 quarterly installments starting from September 2024 with the last instalment due on March 2028. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company, excluding those exclusively charged to other term lenders (including long term loans availed for the energy efficiency capital expenditure).

Term loan from a bank of INR 2,717.41 Lakhs (including current maturities of INR 2,717.41 Lakhs) [March 31, 2022: INR Nil (including current maturities of INR Nil)] carries interest rate of 9.00% p.a. [March 31, 2022 : Nil % p.a.] The loan is repayable in monthly installments starting from April 2023 with the last instalment due on February 2024. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company both present and future, excluding those exclusively charged to other term lenders.

### Indian currency vehicle loans

Vehicle loans from a bank of INR 51.28 Lakhs (including current maturities of INR 14.84 Lakhs) [March 31, 2022: INR 3.16 Lakhs (including current maturities of INR 3.16 Lakhs)] carry interest at 8.36% p.a. to 9.35% p.a. [March 31, 2022 : 8.36% p.a.] The loan is repayable in 36 to 48 monthly installments starting from July 2018 with the last instalment due on September 2026 and is secured by first pari-passu charge on fixed assets financed by the said term loans.

### **Unsecured borrowings**

#### Foreign currency term loans

Term loan from a bank of INR Nil (including current maturities of INR Nil) [March 31, 2022: INR 332.97 Lakhs (including current maturities of INR 332.97 Lakhs)] carries fixed interest of 1.40% p.a. [March 31, 2022 : 1.40% p.a.] The loan is repayable in 14 equal installments starting from August 2016 with the last installment due on February 2023. The loan is secured by guarantee issued by Eksport Kredit Fonden plc (EKF), the state owned export credit agency of Denmark.

## 15. Lease liabilities

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease liabilities (Refer Note 33)	1,886.60	2,068.09	36.07	45.66
	<b>1,886.60</b>	<b>2,068.09</b>	<b>36.07</b>	<b>45.66</b>

## 16. Financial Liabilities-Others

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives not designated as hedges	-	15.14	252.21	498.94
<u>Financial liabilities at amortised cost</u>				
Liabilities for capital goods	-	-	337.72	4,538.43
Interest accrued but not due on borrowings and others	-	-	322.27	174.55
Security deposits	-	-	5,244.19	5,138.73
Payable to Gas pool operator	-	-	3,119.88	3,117.05
Employee benefits payable	-	-	760.75	808.50
Other expenses payable	-	-	2,664.02	2,674.36
Unpaid dividend*	-	-	119.46	122.16
<b>Total</b>	<b>-</b>	<b>15.14</b>	<b>12,820.50</b>	<b>17,072.72</b>

\*There are no amounts due for payment to the Investor Education and Protection Fund under the Companies Act, 2013 as at year end.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 17. Provisions

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Gratuity (Refer Note 27)	1,180.60	1,134.73	106.49	134.05
Compensated absences	-	-	1,011.18	893.91
<b>Total</b>	<b>1,180.60</b>	<b>1,134.73</b>	<b>1,117.67</b>	<b>1,027.96</b>

### 18. Deferred tax liabilities (net)

	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2023	As at March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Deferred tax liabilities</b>				
Property, plant and equipment, Right-of-use assets and Intangible assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	12,916.61	9,260.06	3,656.55	(1,066.95)
Others	161.92	120.23	41.69	91.28
	<b>13,078.53</b>	<b>9,380.29</b>	<b>3,698.24</b>	<b>(975.67)</b>
<b>Deferred tax assets</b>				
Allowance for doubtful receivables	414.67	437.27	(22.60)	(23.18)
Provision for gratuity and compensated absences	578.47	544.35	34.12	16.98
Lease Liability	491.59	548.18	(56.59)	(7.11)
Others	464.68	345.27	119.41	2.36
Minimum Alternate Tax ("MAT") credit entitlement	4,979.26	2,398.52	2,580.74	(3,283.72)
	<b>6,928.67</b>	<b>4,273.59</b>	<b>2,655.08</b>	<b>(3,294.67)</b>
<b>Net deferred tax liability</b>	<b>6,149.86</b>	<b>5,106.70</b>		
<b>Deferred tax charge/(credit)</b>			<b>1,043.16</b>	<b>2,319.00</b>

Based on the profitability projections, the management is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the aforesaid MAT credit entitlement. Accordingly, deferred tax asset have been recognised on the same. Also Refer Note 31.

#### Reconciliation of movement in deferred tax liabilities (net)

Balance at the beginning of the year	5,106.70	2,787.70
Tax charge/(credit) during the year		
Recognised in profit and loss	1,060.08	2,329.88
Recognised in OCI	(16.92)	(10.88)
	1,043.16	2,319.00
Balance at the end of the year	<b>6,149.86</b>	<b>5,106.70</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2023	As at March 31, 2022
<b>19. Current borrowings</b>		
<u>Secured borrowings</u>		
Foreign currency buyer's/suppliers' credit from banks	35,574.94	48,157.89
Indian currency bills discounted with banks	55,253.20	54,724.39
Current maturities of long-term borrowings (Refer Note 14)	9,271.23	6,459.78
	<b>1,00,099.37</b>	<b>1,09,342.06</b>
<u>Unsecured borrowings</u>		
Current maturities of long-term borrowings (Refer Note 14)	-	332.97
Indian currency short-term loans from banks	-	2,671.44
	-	<b>3,004.41</b>
<b>Total</b>	<b>1,00,099.37</b>	<b>1,12,346.47</b>

### Secured borrowings

The facilities are secured by first pari-passu charge on all current assets (both present and future) and property, plant and equipment of the Company, excluding assets which are exclusively charged to other lenders. These facilities are repayable within 12 months period. The interest carried on these facilities are - buyers/suppliers credits: 0.37% to 5.58% p.a. [March 31, 2022 : 0.32% to 2.36% p.a.], bills discounted: 4.40% to 7.50% p.a. [March 31, 2022 : 4.40% to 6.10% p.a.], cash credit: 8.75% to 11.45% p.a. [March 31, 2022 : 8.75% to 10.25% p.a.]

### Unsecured borrowings

The short-term loans are repayable over a maturity period of 45 to 90 days and carry floating interest rate of 8.50% to 9.00% p.a. [March 31, 2022 : 7.50% to 8.50% p.a.]

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

	As at March 31, 2023	As at March 31, 2022
<b>20. Trade payables</b>		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	4,582.66	1,057.85
- total outstanding dues of creditors other than micro enterprises and small enterprises	19,674.70	39,419.36
	<b>24,257.36</b>	<b>40,477.21</b>
Trade payables	20,448.02	40,420.20
Trade payables to related parties (Refer Note 38)	3,809.34	57.01
<b>Total</b>	<b>24,257.36</b>	<b>40,477.21</b>

\*Includes outstanding dues of micro and small enterprises (Refer Note 36 for details)

For explanations on the Company's credit risk management processes, refer Note 41.

Trade payables (other than related parties) are normally non-interest bearing and are settled on 30 to 90 days term. For Terms and condition for related parties refer note 38.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Trade payables Ageing Schedule

As at March 31, 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises**	-	4,581.99	-	-	-	0.67	4,582.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	325.76	18,940.27	384.17	7.40	0.35	16.75	19,674.70
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>325.76</b>	<b>23,522.26</b>	<b>384.17</b>	<b>7.40</b>	<b>0.35</b>	<b>17.42</b>	<b>24,257.36</b>

\*\* Outstanding dues of micro enterprises and small enterprises for more than 3 years of INR 0.67 lakhs pertains to interest provided in earlier years.

As at March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises***	-	1,057.18	-	-	-	0.67	1,057.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	145.80	38,207.73	1,021.67	3.66	0.83	39.67	39,419.36
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>145.80</b>	<b>39,264.91</b>	<b>1,021.67</b>	<b>3.66</b>	<b>0.83</b>	<b>40.34</b>	<b>40,477.21</b>

\*\*\*Outstanding dues of micro enterprises and small enterprises for more than 3 years of INR 0.67 lakhs pertains to interest provided in earlier years.

### 21. Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	339.29	370.25
Contract liabilities - Advances from customers**	1,601.93	1,372.48
<b>Total</b>	<b>1,941.22</b>	<b>1,742.73</b>

\*\*Revenue recognised from amounts included in contract liabilities at the beginning of the year is INR 1,203.71 Lakhs (March 31, 2022 : INR 436.54 Lakhs).

### Break-up of financial liabilities carried at amortised cost

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-Current Borrowings (Refer Note 14)	35,667.55	21,815.13	-	-
Lease Liabilities (Refer Note 15)	1,886.60	2,068.09	36.07	45.66
Current Borrowings (Refer Note 19)	-	-	1,00,099.37	1,12,346.47
Trade Payables (Refer Note 20)	-	-	24,257.36	40,477.21
Others (Refer Note 16)	-	-	12,568.29	16,573.78
<b>Total</b>	<b>37,554.15</b>	<b>23,883.22</b>	<b>1,36,961.09</b>	<b>1,69,443.12</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>22. Revenue from contracts with customers</b>		
Sale of products (including concession/subsidy on fertilisers)		
Manufactured	3,41,444.33	2,79,630.13
Traded	22,471.12	9,754.94
Sale of services	5.52	9.64
Other operating revenues (scrap sales)	231.43	163.59
<b>Total</b>	<b>3,64,152.40</b>	<b>2,89,558.30</b>
<b>(a) Disaggregated revenue information</b>		
<u>Manufactured</u>		
Urea	1,79,677.75	1,65,278.43
Complex fertilizers	1,52,835.52	1,05,009.67
Others	8,931.06	9,342.03
	<b>3,41,444.33</b>	<b>2,79,630.13</b>
<u>Traded</u>		
Complex fertilizers	19,674.15	-
Muriate of Potash (MOP)	-	6,558.46
Others	2,796.97	3,196.48
	<b>22,471.12</b>	<b>9,754.94</b>
<b>(b) Timing of revenue recognition</b>		
Products transferred for a point in time	3,64,146.88	2,89,548.66
Services rendered at a point in time	5.52	9.64
	<b>3,64,152.40</b>	<b>2,89,558.30</b>
<b>(c) Reconciliation of amount of revenue recognised with contract price</b>		
Revenue as per contracted price (including concession/subsidy on fertilisers)	3,72,027.46	2,93,732.20
Adjustments		
Rebates	(7,568.82)	(3,825.36)
Others	(306.24)	(348.54)
<b>Revenue from contracts with customers</b>	<b>3,64,152.40</b>	<b>2,89,558.30</b>
<b>(d) Performance obligation</b>		
<p>The Company recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The performance obligation is satisfied upon delivery of the goods and payment is generally due within 15 to 120 days from delivery.</p> <p>The Direct Benefit Transfer (DBT) Scheme entails 100% payment of subsidy to the Company on the basis of actual sales by the retailer to the beneficiary, however, the performance obligation of the Company is satisfied upon delivery of the goods.</p>		
<p><b>(e)</b> Sales of products include government concession/subsidies amounting to INR 2,68,770.17 Lakhs (Previous year: INR 1,96,363.31 Lakhs). The urea concession has been estimated and accounted as per the Government of India notification dated June 17, 2015 and the subsidy on phosphatic and complex fertilisers has been accounted based on estimates and on the rates announced by the Government of India under Nutrient Based Subsidy Policy, as applicable.</p>		
<p><b>(f)</b> Government of India has notified the pooling of Gas in Fertiliser (Urea) sector effective from June 2015. As per the notification, domestic Gas is pooled with Regasified Liquefied Natural Gas (RLNG) to provide natural Gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants.</p>		

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(g) The Company had during the year ended March 31, 2021 recognised urea subsidy income of INR 2,914 Lakhs without benchmarking its cost of production using naphtha with that of gas-based urea manufacturing units recently converted to natural gas, as notified by the Department of Fertilizers [DoF] for subsidy income computation, against which the Company had filed a writ petition against the DoF before the Hon'ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC, the management, based on legal opinion and considering the fact that the energy cost is always a pass through in subsidy computation, believes that artificial benchmarking is arbitrary and discriminatory and is confident of realisation of the aforesaid subsidy income.

(h) For details of contract balances, refer Notes 9 and 21. Also refer Note 39 for segment information.

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>23. Other income</b>		
Interest income on bank deposits and others	2,522.18	1,928.40
Rental income	112.36	109.27
Insurance claim received	5.56	1.00
Provisions no longer required written back*	389.08	345.76
Other non-operating income	35.44	42.63
<b>Total</b>	<b>3,064.62</b>	<b>2,427.06</b>

\* Includes Provision for impairment of GST credit of previous years reversed INR 37.04 Lakhs and Provision for Impairment of Trade Receivable written back Rs. 90.64 Lakhs [Previous year - Provision for impairment of Trade Receivable written back INR 86.51 Lakhs]

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>24. Cost of materials consumed</b>		
Inventories at the beginning of the year	20,395.17	8,846.36
Add: Purchases during the year	1,93,082.18	1,98,483.47
Less: Inventories at the end of the year	13,851.83	20,395.17
<b>Cost of materials consumed</b>	<b>1,99,625.52</b>	<b>1,86,934.66</b>
<u>Materials consumed</u>		
Natural Gas	78,421.53	74,326.92
Phosphoric acid	62,988.49	68,098.23
Imported ammonia	36,591.70	27,538.62
Others	21,623.80	16,970.89
<b>Total</b>	<b>1,99,625.52</b>	<b>1,86,934.66</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>25. Purchases of traded goods</b>		
Complex fertilizers	22,862.00	-
Muriate of Potash (MOP)	-	5,534.62
Others	2,951.56	882.29
<b>Total</b>	<b>25,813.56</b>	<b>6,416.91</b>

## 26. Change in inventories of finished goods, work-in-progress and traded goods

Inventories at the beginning of the year

Finished goods	18,439.38	3,919.16
Traded goods	150.49	1,531.55
Work-in-progress	35.27	51.74
	<u>18,625.14</u>	<u>5,502.45</u>

Less: Inventories at the end of the year

Finished goods	1,850.61	18,439.38
Traded goods	4,735.43	150.49
Work-in-progress	196.73	35.27
	<u>6,782.77</u>	<u>18,625.14</u>

<b>Changes in inventories of finished goods, work-in-progress and traded goods</b>	<b>11,842.37</b>	<b>(13,122.69)</b>
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## 27. Employee benefits expense

Salaries, wages and bonus	6,078.43	5,999.91
Gratuity expense [refer note (ii) below]	149.99	180.14
Contribution to provident and other funds [refer note (iii) below]	419.90	423.99
Staff welfare expenses	268.86	358.60
<b>Total</b>	<b>6,917.18</b>	<b>6,962.64</b>

- (i) The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company will assess the impact of the Code and recognize the same, if any, once the Code comes into effect.
- (ii) The Company operates defined benefit plan i.e., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The fund has the form of a trust and it is governed by the Board of Trustees who is responsible for the administration of the plan assets and for the definition of the investment strategy.



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The following table summarises the components of net benefit expenses and the funded status for the plan:

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Cost charged to the statement of profit or loss under employee cost		
Current service cost	84.41	98.32
Interest cost	101.07	111.92
Return on plan assets	(9.15)	(30.10)
<b>Net employee benefit expense</b>	<b>176.33</b>	<b>180.14</b>
(b) Re-measurement (loss)/gain recognised in other comprehensive income		
Actuarial (loss)/gain		
Change in financial and demographic assumptions	11.04	44.43
Experience variance (actual vs assumption)	(57.14)	(63.53)
Actuarial (loss) on assets	(2.32)	(12.05)
<b>Net actuarial (loss)/gain</b>	<b>(48.42)</b>	<b>(31.15)</b>
(c) Changes in the present value of the defined benefit obligation		
Obligations at beginning of the year	1,395.12	1,659.21
Current service cost	84.41	98.32
Interest cost	101.07	111.92
Benefits paid	(262.86)	(493.43)
Actuarial (loss)	46.10	19.10
<b>Obligations at end of the year</b>	<b>1,363.84</b>	<b>1,395.12</b>
(d) Change in fair value of plan assets		
Plan assets at the beginning of the year	126.34	446.30
Return on plan assets	9.15	30.10
Contributions during the year	206.44	155.42
Benefits paid	(262.86)	(493.43)
Actuarial (loss)	(2.32)	(12.05)
<b>Plan assets at end of the year</b>	<b>76.75</b>	<b>126.34</b>
(e) Benefit asset/(liability)		
Fair value of plan assets	76.75	126.34
Less: Present value of defined benefit obligations	1,363.84	1,395.12
<b>Benefit (liability)</b>	<b>(1,287.09)</b>	<b>(1,268.78)</b>
(f) Major category of plan assets included in fair value of plan assets		
Fund balance with insurance companies	76.75	126.34
<b>Total</b>	<b>76.75</b>	<b>126.34</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(g) The principal assumptions used in determining gratuity obligations for the Company plan are as shown below:		
Discount rate	7.45%	7.25%
Salary increase rate	6.50%-8.00%	6.50%-8.00%
Employee turnover	1.00%-3.00%	1.00%-3.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

(h) A quantitative sensitivity analysis for significant assumption is as below:

	As at March 31, 2023		As at March 31, 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
<u>Impact on defined benefit obligation</u>				
Discount rate	(57.51)	62.43	(56.41)	61.29
Salary increase rate	62.25	(57.84)	61.27	(56.89)
Employee turnover	6.08	(6.82)	4.42	(5.01)
Mortality rate	0.31	(0.31)	0.23	(0.22)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

(i) The following payments are expected contribution to the defined benefit plans in future years:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Within next 12 months	183.25	260.40
Between 2 to 5 years	536.10	542.54
Between 6 to 10 years	424.86	416.05
More than 10 years	2,152.50	1,993.15
<b>Total</b>	<b>3,296.71</b>	<b>3,212.14</b>

The average duration of the defined benefit plan obligation at the end of the reporting period/year is 9 years (March 31, 2022: 9 years).

(iii) Contribution to provident and other funds includes the following defined contributions:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund	264.43	267.62
Superannuation fund and national pension scheme	144.72	141.19
Others	10.75	15.18
<b>Total</b>	<b>419.90</b>	<b>423.99</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>28. Finance costs</b>		
Interest expense	7,131.23	2,850.89
Interest on Income Tax	32.00	68.00
Interest on Leases (Refer Note 33)	202.05	216.50
Exchange difference regarded as adjustment to borrowing cost	1,337.52	836.15
Other borrowing costs	1,734.96	968.88
<b>Total</b>	<b>10,437.76</b>	<b>4,940.42</b>
<b>29. Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	5,802.28	4,873.61
Depreciation of right of use assets	111.94	128.04
Amortisation of intangible assets	53.28	54.10
<b>Total</b>	<b>5,967.50</b>	<b>5,055.75</b>
<b>30. Other expenses</b>		
Consumption of stores and spares	892.30	882.53
Power, fuel and water	66,386.91	57,756.87
Bagging and other contracting charges	775.64	806.43
Transportation	10,500.82	11,437.20
Repairs and maintenance		
Buildings	130.44	160.42
Plant and equipment	2,759.75	2,468.60
Others	629.01	649.58
Rent	478.43	543.10
Rates and taxes	19.48	9.40
Insurance	796.40	723.81
Travelling and conveyance	245.14	176.91
Net loss on disposal of property, plant and equipment	521.96	548.79
Director's sitting fees	25.05	23.90
Auditors remuneration (refer details below)	33.56	40.15
CSR expenditure (refer note 37)	210.00	152.75
Foreign exchange differences (net)	1,800.69	2,426.05
Miscellaneous expenses	2,804.96	2,525.17
<b>Total</b>	<b>89,010.54</b>	<b>81,331.66</b>
<u>Payment to Auditors</u>		
<u>As Auditor</u>		
Statutory audit fee	17.00	22.00
Limited review fee	9.75	11.25
<u>In other capacity</u>		
Certification fees	6.00	6.75
Others (including reimbursement of expenses)	0.81	0.15
<b>Total</b>	<b>33.56</b>	<b>40.15</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>31. Tax expenses</b>		
Income tax related to items charged or credited to statement of profit and loss during the year:		
<b>Profit and loss section</b>		
Current tax (Minimum Alternate Tax)	3,077.00	2,350.00
Deferred tax charge/(credit)		
MAT credit utilisation/(accumulation)	(2,580.74)	3,283.72
Deferred tax charge for prior years	(1.25)	(160.21)
Deferred tax credit on others	3,642.07	(793.63)
<b>Total</b>	<b>4,137.08</b>	<b>4,679.88</b>
Deferred tax expense for the year includes deferred tax charge/(credit) relating to prior year recognized towards true-up adjustment on filing of income tax returns by the Company.		
<b>Other comprehensive income</b>		
Deferred tax (credit)/charge on re-measurement of defined benefit plan	(16.92)	(10.88)
<b>Total</b>	<b>(16.92)</b>	<b>(10.88)</b>
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
<b>Accounting profit before income tax</b>	<b>17,602.59</b>	<b>13,466.01</b>
Tax as per statutory income tax rate of 34.94% (Previous period: 34.94%)	6,151.05	4,705.56
Non-deductible expenses for tax purposes		
CSR expenditure	73.38	53.38
Unrealised foreign exchange gain on capital items	-	(2.12)
Deferred tax charge for prior years	(1.25)	(160.21)
Other non-deductible expenses	223.82	35.62
Impact of change in tax rate for future periods*	(2,309.92)	47.65
<b>Income tax expense reported in statement of profit and loss account</b>	<b>4,137.08</b>	<b>4,679.88</b>
<b>Effective tax rate</b>	<b>23.50%</b>	<b>34.75%</b>

\* Management has assessed the utilization of Minimum Alternate Tax (MAT) on the basis of future profitability projections. Further, the management also assessed it to be probable that post utilization of MAT the Company will be exercising option to pay Income Tax at reduced rates as per the provisions/conditions defined in the new Section 115BAA in the Income Tax Act, 1961, inserted vide the Taxation Laws (Amendment) Ordinance 2019.

## 32. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation:

Net profit attributable to equity shareholders	13,465.51	8,786.13
Weighted average number of equity shares considered for calculating basic/diluted EPS	11,85,15,150	11,85,15,150
<b>Earnings per Share (Basic/Diluted)</b>	<b>11.36</b>	<b>7.41</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 33. Leases

#### The Company as a lessee

The Company has lease contracts for land, buildings and tanks. The leases for land generally have lease terms between 1 to 30 years, while others generally have lease terms between 1 to 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Refer Note 3B for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities (included under interest-bearing borrowings) and the movements during the year:

	For the year ended March 31, 2023	For the year ended March 31, 2022
At the beginning of the year	2,113.75	2,134.12
Additions	-	15.89
Leases terminated	(157.49)	-
Accretion of interest	202.05	216.50
Payments	(235.64)	(252.76)
<b>At the end of the year</b>	<b>1,922.67</b>	<b>2,113.75</b>
Current	36.07	45.66
Non-current	1,886.60	2,068.09

The maturity analysis of lease liabilities are disclosed in Note 41(c). The following are the amounts recognised in the statement of profit or loss:

Depreciation expense of right-of-use assets	111.94	128.04
Interest expense on lease liabilities	202.05	216.50
Expense relating to short-term leases (included in rent expense)	478.43	543.10
<b>Total amount recognised in the statement of profit or loss</b>	<b>792.42</b>	<b>887.64</b>

The Company had total cash outflows for leases of INR 714.07 Lakhs (Previous year: INR 795.86 Lakhs). The Company also had non-cash additions to right-of-use assets and lease liabilities of INR Nil (Previous year: 15.89 Lakhs).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The effective interest rate for lease liabilities is 10%, with maturity between 2023-2042

There are no future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense relating to leases of low-value assets	-	-
Expense relating to short-term leases	78.67	75.26
Variable lease payments	399.76	467.84
<b>Total Lease Payments not considered as Lease payments under Ind AS 116</b>	<b>478.43</b>	<b>543.10</b>

#### The Company as a lessor

The Company has entered into cancellable operating leases in respect of a portion of its land and building. These leases have terms of between 10 years and above. The leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total rents recognised as income during the period is INR 112.36 Lakhs (Previous year: INR 109.27 Lakhs).

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>34. Capital and other commitments</b>		
(a) Estimated amount of contract remaining to be executed (net of capital advances) on capital account and not provided for	5,225.19	14,015.72
(b) For commitments relating to lease arrangements, refer Note 33.		
<b>35. Contingent liabilities</b>		
(a) Claims against the Company not acknowledged as debts		
Income tax	358.04	358.04
Excise duty	638.96	638.96
Entry tax	334.81	334.81
Customs duty	424.70	402.70
Service tax	15.49	15.49
Others	95.00	95.00

The income tax matters under appeal include certain deductions claimed by the Company for financial years 2012-13 and 2013-14 which have resulted in tax losses, on which deferred tax assets have been recognized and utilized against taxable profits of following years, which have been disallowed by the income tax authorities and the differential tax liability (deferred tax/regular tax) that may arise is estimated to be INR 3,315 Lakhs and interest thereon. The Company is contesting aforesaid disallowances and the management, based on independent tax opinions, believes that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in this regard.

The Company is contesting aforesaid demands and the management, based on advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursements in respect of the above contingent liabilities.

In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have any material effect on the Company's results of operations or financial condition.

(b) Other money for which the Company is contingently liable		
Bank guarantees	904.23	864.96
<b>36. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006</b>		

	For the year ended March 31, 2023	For the year ended March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises*	4,581.99	1,057.18
- Interest due on above	0.67	0.67
<b>Total</b>	<b>4,582.66</b>	<b>1,057.85</b>

\*Excluding liabilities for capital goods of INR 133.68 Lakhs (March 31, 2022 : INR 845.99 Lakhs).

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period/year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	0.67	0.67
The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.		

	For the year ended March 31, 2023	For the year ended March 31, 2022
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### 37. Details of CSR expenditure

a) Gross amount required to be spent by the Company during the year	209.71	152.75
b) Amount approved by the Board to be spent during the year	209.71	152.75
c) Amount spent during the year ending on 31 March 2023:		

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	210.00	-	210.00

d) Amount spent during the year ending on 31 March 2022:

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	152.75	-	152.75

	For the year ended March 31, 2023	For the year ended March 31, 2022
e) Details related to spent / unspent obligations:		
i) Amount spent	210.00	152.75
ii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
<b>Total</b>	<b>210.00</b>	<b>152.75</b>

#### Details of excess amount spent

In case of S. 135(5) Excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0.24	209.71	210	0.53



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 38. Related party disclosures

#### Names of related parties:

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Holding Company	: Zuari Agro Chemicals Limited ("ZACL")
Common control	: Paradeep Phosphates Limited ("PPL") Zuari Management Services Limited ("ZMSL") Zuari FarmHub Limited ("ZFL")
Promoters/Promoters Group	: Zuari Industries Limited McDowell Holdings Limited United Breweries Holdings Limited Kingfisher Finvest India Limited Mrs. Jyotsna Poddar Mrs. Shradha Agarwala Mr. Gaurav Agarwala

Names of other related parties with whom transactions have taken place during the year:

Key Management Personnel	: Mr. Shubhabrata Saha, Managing Director (w.e.f. 16.09.2021 till 03.11.2022) Mr. K. Prabhakar Rao, Whole-time director (till 31.12.2021) Mr. Nitin Manguesh Kantak, Whole-time Director (KMP w.e.f. 03.11.2022) Mr. T.M. Muralidharan, Chief Financial Officer Mr. Vijayamahantesh Khannur, Company Secretary
Directors	: Mr. Akshay Poddar Mr. D A Prasanna Ms. Rita Menon Mr. Dipankar Chatterji (till 13.05.2022) Mr. Marco Philippus Ardeshir Wadia (w.e.f. 13.05.2022) Mr. Nitin Manguesh Kantak (Non-Executive Director w.e.f. 01.01.2022 till 02.11.2022) Mr. Sabaleel Nandy (w.e.f. 03.11.2022 till 25.03.2023) Mr. N Suresh Krishnan (w.e.f. 25.03.2023)
Enterprises in which directors/shareholders are interested	: Lionel India Limited ("LIL") Adventz Finance Private Limited
Employee benefit trusts	: MCF Ltd. Employees Gratuity Fund Trust ("MCF Gratuity Trust") MCF Ltd. Employees Superannuation Trust ("MCF Superannuation Trust")

Summary of transactions entered into with related parties during the year:

	Holding Company		Common control		Key Management Personnel and Directors		Others including Promoters & Promoters Group	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<u>Sale of goods (net)</u>								
ZFL	-	-	6,991.03	4,173.50	-	-	-	-
	-	-	<b>6,991.03</b>	<b>4,173.50</b>	-	-	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Holding Company		Common control		Key Management Personnel and Directors		Others including Promoters & Promoters Group	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<u>Purchase of goods (net)</u>								
ZFL	-	-	35.29	-	-	-	-	-
PPL	-	-	3,697.12	1,077.28	-	-	-	-
	-	-	<b>3,732.41</b>	<b>1,077.28</b>	-	-	-	-
<u>Interest income</u>								
ZACL	743.48	1,146.96	-	-	-	-	-	-
ZFL	-	-	3.33	-	-	-	-	-
	<b>743.48</b>	<b>1,146.96</b>	<b>3.33</b>	-	-	-	-	-
<u>Interest expense</u>								
ZFL	-	-	-	5.12	-	-	-	-
PPL	-	-	-	1.50	-	-	-	-
	-	-	-	<b>6.62</b>	-	-	-	-
<u>Purchase of services</u>								
ZMSL	-	-	89.98	112.61	-	-	-	-
	-	-	<b>89.98</b>	<b>112.61</b>	-	-	-	-
<u>Travel expenses paid</u>								
LIL	-	-	-	-	-	-	60.32	25.98
	-	-	-	-	-	-	<b>60.32</b>	<b>25.98</b>
<u>Reimbursement of expenses by the Company</u>								
ZACL	-	72.59	-	-	-	-	-	-
ZFL	-	-	14.48	136.02	-	-	-	-
PPL	-	-	2.25	-	-	-	-	-
Adventz Finance Private Limited	-	-	-	-	-	-	7.46	29.47
	-	<b>72.59</b>	<b>16.73</b>	<b>136.02</b>	-	-	<b>7.46</b>	<b>29.47</b>
<u>Reimbursement of expenses to the Company</u>								
ZACL	143.33	53.44	-	-	-	-	-	-
ZFL	-	-	22.49	-	-	-	-	-
PPL	-	-	0.04	2.24	-	-	-	-
	<b>143.33</b>	<b>53.44</b>	<b>22.53</b>	<b>2.24</b>	-	-	-	-

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Holding Company		Common control		Key Management Personnel and Directors		Others including Promoters & Promoters Group	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<u>Sitting fees paid</u>								
Mr. Akshay Poddar	-	-	-	-	4.30	3.80	-	-
Mr. D A Prasanna	-	-	-	-	6.75	6.50	-	-
Mr. Dipankar Chatterji	-	-	-	-	0.40	5.50	-	-
Mr. Suresh Krishnan	-	-	-	-	-	2.10	-	-
Ms. Rita Menon	-	-	-	-	5.75	5.50	-	-
Mr. Marco Wadia	-	-	-	-	5.35	-	-	-
Mr. Nitin M Kantak	-	-	-	-	1.50	0.50	-	-
Mr. Sabaleel Nandy	-	-	-	-	1.00	-	-	-
	-	-	-	-	<b>25.05</b>	<b>23.90</b>	-	-
<u>Directors' Remuneration</u>								
Mr. Akshay Poddar	-	-	-	-	5.00	5.00	-	-
Mr. D A Prasanna	-	-	-	-	5.00	5.00	-	-
Mr. Dipankar Chatterji	-	-	-	-	-	5.00	-	-
Mr. Suresh Krishnan	-	-	-	-	-	2.50	-	-
Ms. Rita Menon	-	-	-	-	5.00	5.00	-	-
Mr. Marco Wadia	-	-	-	-	4.50	-	-	-
Mr. Nitin M Kantak	-	-	-	-	2.92	1.25	-	-
	-	-	-	-	<b>22.42</b>	<b>23.75</b>	-	-
<u>Dividend paid on equity shares</u>								
ZACL	768.34	640.28	-	-	-	-	-	-
Adventz Finance Private Limited	-	-	-	-	-	-	52.20	43.00
Zuari Industries Limited	-	-	-	-	-	-	3.67	3.06
McDowell Holdings Limited	-	-	-	-	-	-	15.09	12.57
Mrs. Jyotsna Poddar	-	-	-	-	-	-	1.89	1.57
Mrs. Shradha Agarwala	-	-	-	-	-	-	2.40	2.00
Mr. Gaurav Agarwala	-	-	-	-	-	-	1.80	1.50
Mr. Akshay Poddar	-	-	-	-	15.63	9.59	-	-
Mr. D A Prasanna	-	-	-	-	0.13	0.11	-	-
Mr. Vijayamahantesh Khannur	-	-	-	-	0.00	0.00	-	-
Mr. Nitin M Kantak	-	-	-	-	0.01	-	-	-
	<b>768.34</b>	<b>640.28</b>	-	-	<b>15.77</b>	<b>9.70</b>	<b>77.05</b>	<b>63.70</b>
<u>Contributions made</u>								
MCF Gratuity Trust	-	-	-	-	-	-	210.60	155.42
MCF Superannuation Trust	-	-	-	-	-	-	71.93	80.47
	-	-	-	-	-	-	<b>282.53</b>	<b>235.89</b>

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2023	March 31, 2022
<u>Compensation of key management personnel*</u>		
Short-term employee benefits	576.79	441.64
Post-employment gratuity and medical benefits	-	-
Termination benefits	-	-
Share-based payment transactions	-	-
<b>Total compensation paid to key management personnel</b>	<b>576.79</b>	<b>441.64</b>

\*The amounts disclosed above are the amounts recognised during the reporting period related to key management personnel. As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

Summary of balances as at period/year end:

	Holding Company		Common control		Key Management Personnel and Directors		Others including Promoters & Promoters Group	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<u>Interest receivable</u>								
ZACL	4,348.45	4,010.72	-	-	-	-	-	-
	<b>4,348.45</b>	<b>4,010.72</b>	-	-	-	-	-	-
<u>Advance to suppliers</u>								
ZACL	-	1,980.00	-	-	-	-	-	-
	-	<b>1,980.00</b>	-	-	-	-	-	-
<u>Trade receivables</u>								
ZACL	8,003.60	7,983.01	-	-	-	-	-	-
ZFL	-	-	280.81	-	-	-	-	-
PPL	-	-	-	0.22	-	-	-	-
	<b>8,003.60</b>	<b>7,983.01</b>	<b>280.81</b>	<b>0.22</b>	-	-	-	-
<u>Trade payables</u>								
ZFL	-	-	-	43.14	-	-	-	-
PPL	-	-	3,808.39	-	-	-	-	-
LIL	-	-	-	-	-	-	0.94	13.87
	-	-	<b>3,808.39</b>	<b>43.14</b>	-	-	<b>0.94</b>	<b>13.87</b>

### Terms and conditions of transactions with related parties

The transactions for sale and purchases with related parties are made on terms equivalent to those prevailing in arm's length transactions. The outstanding receivable/payable balances are generally unsecured and interest is charged as per terms agreed with the related parties. There have been no guarantees provided or received for any related party receivables or payables.

### 39. Segment information

The Company is engaged in the manufacture, sale and trading of fertilizers which the management has considered as single business operating segment. Further, the Company operates in India and caters to the needs of only domestic market. Accordingly, no further disclosures are required.

Revenue from single customer i.e. Government of India amounted to INR 2,68,770.17 Lakhs (Previous period: INR 1,96,363.31 Lakhs) arising from the concession/subsidy on fertilizers.

### 40. Financial instruments fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, as below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The fair value measurement hierarchy of the Company's assets and liabilities is as below:

	Carrying amount		Fair values					
			Level 1		Level 2		Level 3	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets measured at fair value								
Derivatives not designated as hedges	26.61	43.23	-	-	26.61	43.23	-	-
Financial assets for which fair values are disclosed								
Trade receivables	75,724.26	66,502.77	-	-	75,724.26	66,502.77	-	-
Cash and cash equivalents	32,979.95	48,207.20	-	-	32,979.95	48,207.20	-	-
Other bank balances	3,605.39	7,514.35	-	-	3,605.39	7,514.35	-	-
Security deposits	594.71	616.86	-	-	594.71	616.86	-	-
Rebate/discount receivable from suppliers	938.31	1,377.77	-	-	938.31	1,377.77	-	-
Other receivable	518.86	-	-	-	518.86	-	-	-
Interest accrued on deposits and others	4,499.05	4,070.58	-	-	4,499.05	4,070.58	-	-
Financial liabilities measured at fair value								
Derivatives not designated as hedges	252.21	514.08	-	-	252.21	514.08	-	-
Financial liabilities for which fair values are disclosed								
Borrowings	1,35,766.92	1,34,161.60	-	-	1,35,766.92	1,34,161.60	-	-
Lease Liabilities	1,922.67	2,113.75	-	-	1,922.67	2,113.75	-	-
Trade payables	24,257.36	40,477.21	-	-	24,257.36	40,477.21	-	-
Liability for capital goods	337.72	4,538.43	-	-	337.72	4,538.43	-	-
Interest accrued on borrowings	322.27	174.55	-	-	322.27	174.55	-	-
Security deposits	5,244.19	5,138.73	-	-	5,244.19	5,138.73	-	-
Payable to Gas pool operator	3,119.88	3,117.05	-	-	3,119.88	3,117.05	-	-
Other payables	3,544.23	3,605.02	-	-	3,544.23	3,605.02	-	-

There has been no transfers between levels during the year. The fair values of derivatives are based on derived mark-to-market values. The management has assessed that the carrying values of financial assets and financial liabilities for which fair values are disclosed, reasonably approximate their fair values because these instruments have short-term maturities.

Borrowings include Indian currency and Foreign currency long-term loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Hence, the discounting rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

### 41. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances, security deposits and derivatives that are out of regular business operations.

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments and trade payables.

#### i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, without considering impact of derivatives not designated as hedges, as follows:

	March 31, 2023		March 31, 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
INR Borrowings	(500.96)	500.96	(428.35)	428.35
USD Borrowings	(177.87)	177.87	(240.79)	240.79
EURO Borrowings	-	-	(1.66)	1.66

#### ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency borrowings and trade payables. The summary of derivative instruments and unhedged foreign currency exposure is as below:

Derivatives (not designated as hedges) outstanding as at the reporting date

Type	Currency	March 31, 2023		March 31, 2022	
		Foreign currency in Lakhs	INR in Lakhs	Foreign currency in Lakhs	INR in Lakhs
Forward contracts	USD	353.74	29,067.04	729.37	55,280.48

Un-hedged foreign currency exposure as at the reporting date:

	As at March 31, 2023	As at March 31, 2022
Rebate/discount receivable from suppliers	938.31	1,377.77
Other receivables	341.01	-
Borrowings	7,267.09	9,150.55
Trade payables	946.03	10,346.94

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant and without considering impact of derivatives not designated as hedges:

	March 31, 2023		March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
<u>Impact on profit before tax</u>				
USD	(346.69)	346.69	(889.29)	889.29
EURO	-	-	(16.70)	16.70

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### iii. Commodity price risk

The Company's operating activities require the ongoing purchase of natural gas. Natural gas being international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is within the permissible norm for manufacturing of Urea.

The Company deals in purchase of imported fertilizers (i.e., DAP and MOP), which are imported by the Company and sold in the domestic market. The import prices of these goods are governed by the international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

The Company also deals in purchase of imported raw materials (i.e. P2O5, Ammonia and Urea) which are imported by the Company and used in the manufacturing of NP. The import prices of these materials are governed by international prices. There is a price and material availability risk.

### (b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the Company does not expect any credit risk with respect to these financial assets.

### Trade Receivables

The Trade receivables can be classified into two categories, from the customers and from the Government in the form of subsidy/concession. The concession/subsidy receivable classified under trade receivables amounting to INR 63,358.47 Lakhs (March 31, 2022: INR 57,679.74 Lakhs) is receivable from the Government of India in the form of subsidy and being of sovereign nature credit risk is not perceived. The receivables from customers also include INR 8,284.41 Lakhs (March 31, 2022: INR 7,983.23 Lakhs) receivable from related party on which management does not expect any challenge in realisation. Further, as per terms agreed with related parties, interest is also charged on the overdue balances.

From market receivables from customers, the Company extends credit to customers in the normal course of business. The Company considers factors such as credit track record in the market and past dealings for extending credit to customers. The Company monitors the track record of the payments by the customers and the receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, since the customer base is large and located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company holds collateral as security for many of its customers. At March 31, 2023, 35.75% (31 March 2022: 45.47%) of the Company's trade receivables from customers are covered by collateral security.

An impairment analysis is performed at the reporting date using a provision matrix to measure expected credit losses ("ECL"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Though the required amount of ECL provision as at March 31, 2023 is lower than the provision of earlier years, the Company is carrying ECL of INR 500.03 Lakhs same as previous year on conservative basis.

Reconciliation of impairment of trade receivable and other assets

	As at March 31, 2023	As at March 31, 2022
<b>Impairment of Trade receivable</b>		
Balance at the beginning of the year	1,737.25	1,823.76
Less: Reversal of earlier years provisions	(90.64)	(86.51)
<b>Balance at the end of the year*</b>	<b>1,646.61</b>	<b>1,737.25</b>
<b>Impairment of Other assets</b>		
Balance at the beginning of the year	1,192.26	1,192.26
Add: Provision made during the year	-	-
Less: Provision reversed during the year	(37.04)	-
<b>Balance at the end of the year</b>	<b>1,155.22</b>	<b>1,192.26</b>

\* Balance at the end of the year includes ECL provision amounting to INR 500.03 Lakhs



## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### (c) Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities on undiscounted basis:

	Maturities				Total
	Upto 1 year	1-3 years	3-5 years	Above 5 years	
<b>March 31, 2023</b>					
Non-current borrowings	9,271.23	13,829.25	12,755.51	9,082.79	44,938.78
Lease liabilities	231.63	462.28	470.82	3,373.10	4,537.83
Current borrowings	90,828.14	-	-	-	90,828.14
Trade payables	24,257.36	-	-	-	24,257.36
Other financial liabilities	12,820.50	-	-	-	12,820.50
<b>Total</b>	<b>1,37,408.86</b>	<b>14,291.53</b>	<b>13,226.33</b>	<b>12,455.89</b>	<b>1,77,382.61</b>
<b>March 31, 2022</b>					
Non-current borrowings	6,792.75	14,174.73	5,448.54	2,191.86	28,607.88
Lease liabilities	259.12	531.48	535.53	3,660.31	4,986.44
Current borrowings	1,05,553.72	-	-	-	1,05,553.72
Trade payables	40,477.21	-	-	-	40,477.21
Other financial liabilities	17,072.72	15.14	-	-	17,087.86
<b>Total</b>	<b>1,70,155.52</b>	<b>14,721.35</b>	<b>5,984.07</b>	<b>5,852.17</b>	<b>1,96,713.11</b>

### 42. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% change	Reason for variance above 25% as per Schedule III requirement
Current ratio	Current Assets	Current Liabilities	1.10	1.04	6.0%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.69	1.96	13.9%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.80	1.72	5.0%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	18.12%	13.62%	33.1%	Due to improved efficiency & higher profits post completion of Energy Improvement Project during the year
Inventory Turnover ratio	Cost of goods sold	Average Inventory	7.07	5.90	19.9%	

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% change	Reason for variance above 25% as per Schedule III requirement
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales – sales return	Average Trade Receivable	5.12	4.93	3.8%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases – purchase return	Average Trade Payables	6.76	5.59	(21.1%)	
Net Capital Turnover Ratio	Net sales = Total sales – sales return	Working capital = Current assets – Current liabilities	26.59	39.35	32.4%	Increase in net working capital at the end of the year
Net Profit ratio	Net Profit	Net sales = Total sales – sales return	3.70%	3.03%	(21.9%)	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	12.98%	9.67%	34.18%	Higher profits due to improved efficiency after completion of Energy Improvement Project during the year

### 43. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) **The details of transactions with Struck off Companies are below:**

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding (INR)
Vaishak Shares Limited		60.00
Pushkar Financial Services Limited		10.00
Eastcoast Investments Limited		1,000.00
Ingita Financial Services Limited		1,000.00
Kothari & Sons (Nominees) Private Limited	Shares held by struck off company	1,000.00
New Ambadi Investments Private Limited		5,000.00
Naimnath Investments Private Limited		5,000.00
Usha Holdings Private Limited		500.00

- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has 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.
- (vi) The Company has 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.
- (vii) The Company has not any 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).

## NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

### 44. 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 shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances.

	Notes	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	14	35,667.55	21,815.13
Lease Liabilities	15	1,922.67	2,113.75
Current borrowings	19	1,00,099.37	1,12,346.47
Less: Cash and cash equivalents	10	(32,979.95)	(48,207.20)
Less: Other bank balances (excluding unpaid dividend accounts)	11	(3,485.93)	(7,392.19)
<b>Net debt (A)</b>		<b>1,01,223.71</b>	<b>80,675.96</b>
Equity share capital	12	11,854.87	11,854.87
Other equity	13	68,463.95	56,452.12
<b>Total equity (B)</b>		<b>80,318.82</b>	<b>68,306.99</b>
<b>Gearing ratio (A/B)</b>		<b>126%</b>	<b>118%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, also ensures that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

### 45. Previous year figures have been regrouped/re-classified wherever necessary, to conform to current period's classification.

As per our report of even date

For and on behalf of the Board of Directors of  
Mangalore Chemicals and Fertilizers Limited

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 003990S/S200018

**Akshay Poddar**  
Chairman  
DIN: 00008686

**Nitin M Kantak**  
Whole-time Director  
DIN: 08029847

per **Seethalakshmi M**  
Partner  
Membership Number: 208545

**T.M. Muralidharan**  
Chief Financial Officer

**Vijayamahantesh Khannur**  
Company Secretary

Place of Signature: Bangalore  
Date: May 11, 2023

Date: May 11, 2023



Registered Office: Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001  
Tel. No. 080-4585 5599, Fax No. 080-4585 5588  
email : shares.mcf@adventz.com Website : www.mangalorechemicals.com  
CIN : L24123KA1966PLC002036

Dear Shareholder,

Sub: Dividend

You will be aware that the Board of Directors of the Company, at its meeting held on May 11, 2023, has recommended a dividend of INR 1.50 per equity share of INR 10 subject to the approval of the members at the Annual General Meeting scheduled to be held on September 26, 2023.

To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the members for remittance of dividend through the National Electronic Clearing Services (NECS). NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solution(CBS) for centralized processing on inward instructions and efficiency in handling bulk transaction. This facility is available at locations identified by Reserve Bank of India from time to time. This is in addition to the existing facility of ECS in other locations.

Members holding shares in electronic mode are requested to intimate all changes pertaining to their bank details to their Depository Participant in order to arrange the dividend payment by NECS or through warrant by printing the bank details, as the case may be.

Members who hold shares in physical form and desirous of availing this facility are requested to use the format below, to furnish the bank details of the first named shareholder and send the same to the Company/ Share Transfer Agent, not later than September 23, 2023 to update the bank details and arrange the dividend payment by NECS or through dividend warrant by printing the bank details, as the case may be.

----- TEAR OFF -----



Registered Office: Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001  
Tel. No. 080-4585 5599, Fax No. 080-4585 5588  
email : shares.mcf@adventz.com Website : www.mangalorechemicals.com  
CIN : L24123KA1966PLC002036

### NECS/ECS Mandate/Bank details updation Form

#### For the use of members holding shares in physical form only

I/We hereby provide the Bank account details of the first named shareholder for arranging payment of dividend through NECS/ECS, if available for the location OR to print the bank details on the dividend warrant as the case may be.

1.	Folio number	
2.	Name of the first named shareholder	
3.	Bank name	
4.	Bank account number (Core Banking No.)	
5.	Account type (SB/OD/CURR/NRO)	
6.	Nine Digit MICR code appearing on the cheque issued by the bank	Please attach a photocopy of the cheque leaf pertaining to the above account for verification/acceptance.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We will not hold the Company responsible.

1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_  
Signature of shareholder(s)

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If undelivered, please return to:

**Mangalore Chemicals & Fertilizers Ltd.,**

Level 11, UB Tower, UB City,

24, Vittal Mallya Road,

Bengaluru - 560 001

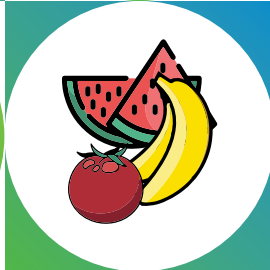
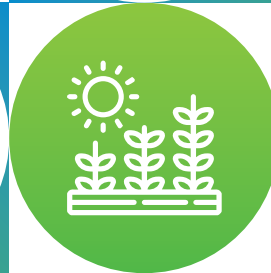
[www.mangalorechemicals.com](http://www.mangalorechemicals.com)



# Paradeep Phosphates Limited

Strengthening  
**CAPACITY.**

Nurturing  
**SUSTAINABILITY.**



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### COMPANY OVERVIEW

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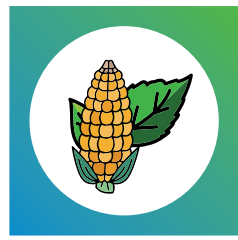
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An electronic version of this report is available online at: <https://www.paradeepphosphates.com/investors>  
Or scan this QR code





## INVESTOR INFORMATION

Market Capitalisation as on 31 <sup>st</sup> March 2023	₹ 41.1 Billion
CIN	L24129OR1981PLC001020
BSE Code	543530
NSE Symbol	PARADEEP
Bloomberg Code	PARADEEP:IN
Dividend Declared	₹ 0.50 per equity share of face value of ₹ 10/- each
AGM Date	26 <sup>th</sup> September , 2023

## Disclaimer

This document contains statements about expected future events and financials of Paradeep Phosphates Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



# Strengthening **CAPACITY.**

# Nurturing **SUSTAINABILITY.**

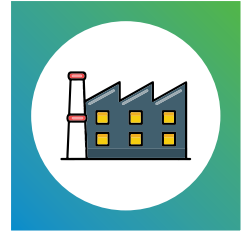
**While industrial growth and technological evolution have been considered to be the front-bearers of human growth, it is important to ensure adequate food security for the billions that toil across various industrial sectors and in agricultural activities globally. With the rise in population, and continuous demand to ensure adequate nutrition for people, usage of fertilisers has also increased exponentially in the farming sector.**

As the second largest private sector producer of phosphatic fertilisers in India, Paradeep Phosphates Limited (PPL), has been a key player in ensuring adequate soil enrichment to support food production in India. Over 8 million farmers currently trust the Company, and we are constantly focussing on strengthening capacity to nurture the sustainability of food production in India. Our commitment is not only towards ensuring food security for all Indians, but also tread the path of balanced growth with minimal environmental impact.

PPL's efforts towards reducing water and air pollution, protecting the ecologies, safe handling of hazardous waste, and cutting down noise pollution exemplify the seriousness that is attributed to the

cause of sustainability. We assiduously adhere to all applicable laws and regulations governing the discharge, emission, storage, handling, and disposal of substances involved in our operations. Further, the Company has been relentlessly pursuing the goal of adopting renewable energy sources, promoting energy efficiency through tech advancements, conservation of water resources, and implementing a zero-effluent discharge policy. Each step taken towards mitigating the environmental impact of our operations without compromising on our support to the agriculture sector in India is aimed at strengthening capacity and nurturing sustainability for a prosperous India, and the planet at large.





**3** MMTPA

Installed Capacity by  
End of 2022-23

**150%**

Capacity Expansion

**2**

Manufacturing Plants





## ABOUT THE COMPANY

# India's Second-largest Integrated Private Sector Fertiliser Company

Paradeep Phosphates boasts a rich history of more than 40 years in providing world-class soil and crop specific fertilisers to Indian farmers. The Company's unwavering dedication to enhancing its capabilities and promoting sustainability has propelled it to great heights in the fertiliser industry.

Founded in 1981, Paradeep Phosphates Limited (referred to as 'PPL' or 'The Company') has secured its position as the second-largest private sector phosphatic fertiliser company in India. PPL's strategic acquisition of the fertiliser facility in Mormugao, Goa, stands as a pivotal factor in amplifying its phosphatic fertiliser production capabilities and augmenting the Company's urea manufacturing proficiency. This strategic move has led to a significant expansion of PPL's operations, working together with its activities in Paradeep, Odisha, to strengthen its position in the industry.

With a dedication to excellence, PPL employs six interchangeable production lines to craft an extensive spectrum of phosphatic fertilisers, encompassing N20, N12, N10, and DAP variants, among others. The Company's commitment to delivering exceptional products finds tangible validation in the widespread acclaim and triumph of its flagship brands, namely 'Jai Kisaan' and 'Navratna'.



### Strengthening Capacity: Quick Facts About the Company

**3.0** MMTPA

Installed Capacity by the end of 2022-23

**15** States

Geographical Presence

**6,500+**

Dealers

**65,500+**

Retailers

**8** Million +

Farmer Connect

**21**

Regional Marketing Offices

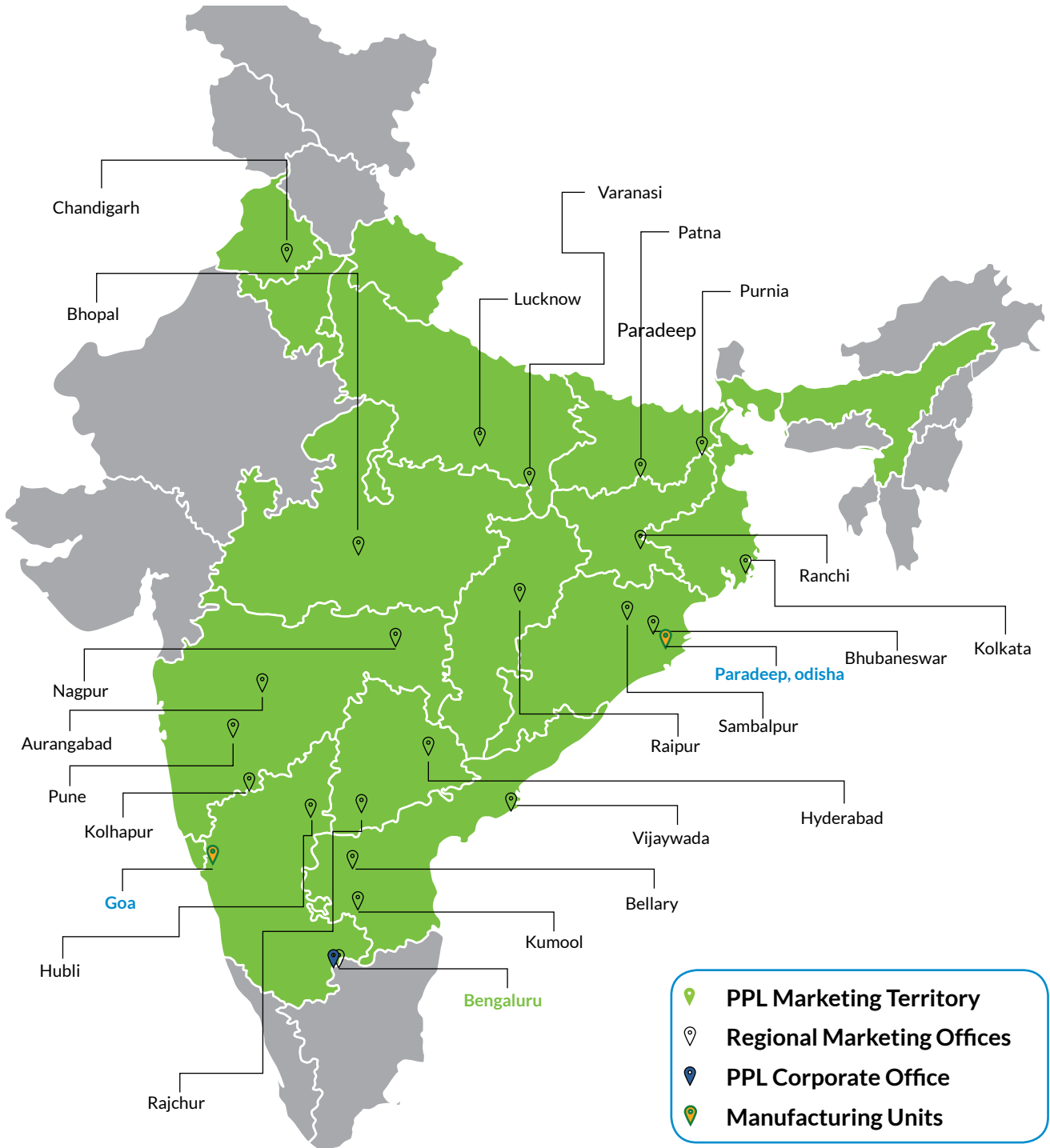






# GEOGRAPHIC PRESENCE

## PPL Marketing Territory

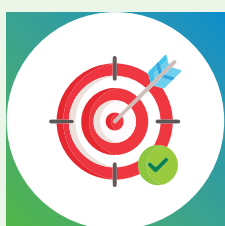


This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.



## Strengthening Capacity and Nurturing Sustainability through Effective Strategies [Continued in Our Strategies, Outcomes and Goals]

Strengthening market leadership through new installations and offerings	Becoming more profitable through increased backward integration	Expanding distribution channels to increase reach	Growing inorganically through acquisitions	Manufacturing facilities at strategic locations
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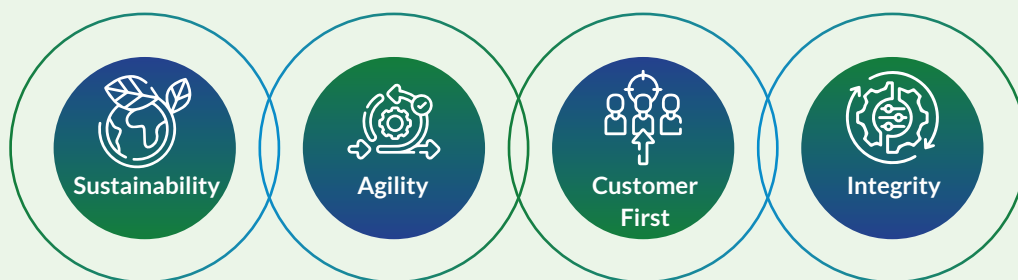


**Vision**  
To be the one-stop solution for the farm economy.



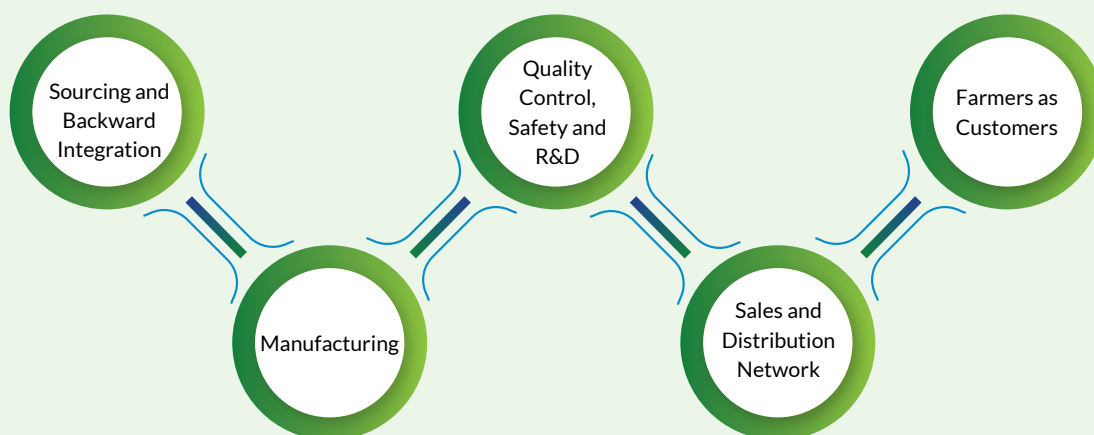
**Mission**  
To create value for farmers and stakeholders by providing integrated agri solutions to all farm needs.

### Our Core Values



### Our Value Chain

With a strong emphasis on integrating deeply into the value chain and the added benefit of self-reliant power generation, we stand tall.



**OUR JOURNEY**

# Strengthening Outcomes and Nurturing Growth: Journey since Inception

1981-1993 →



**1981**

Paradeep Phosphates Limited (PPL) was incorporated as a joint venture between the Government of India and the Republic of Nauru at Paradeep, Odisha



**1986**

Di-ammonium phosphate (DAP) plant (Phase I) commissioned



**1992**

Sulphuric acid plant, phosphoric acid plant and captive power plant (Phase II) commissioned



**1993**

Republic of Nauru divested its stake in PPL, making it a public sector enterprise

2002-2009 →



**2002**

Government of India disinvested 74% of its stake in PPL to Zuari Maroc Phosphates Private Limited (ZMPPL) – a joint venture between Zuari Agro Chemicals Limited (ZACL) and OCP Group in Morocco



**2003**

Rights issue entirely subscribed by ZMPPL, increasing its stake to 80.45% of the paid-up equity share capital



**2009**

ISO 14001:2004 and ISO 9001:2008 certifications obtained





2010-2019 →

**2010**

BS OHSAS 18001:2007 certification obtained

**2018**

PPL's joint venture, Zuari Yoma Agri Solutions Limited, incorporated

**2019**

ISO/IEC 27001:2013, ISO: 9001:2015, ISO: 14001:2015 and ISO: 45001:2018 certifications obtained

2020-2022 →

**2020**

Product Steward Excellence Certificate under IFA Protect and Sustain Product Stewardship Programme received

**2021**

ISO: 50001:2018 certification obtained

**2022**

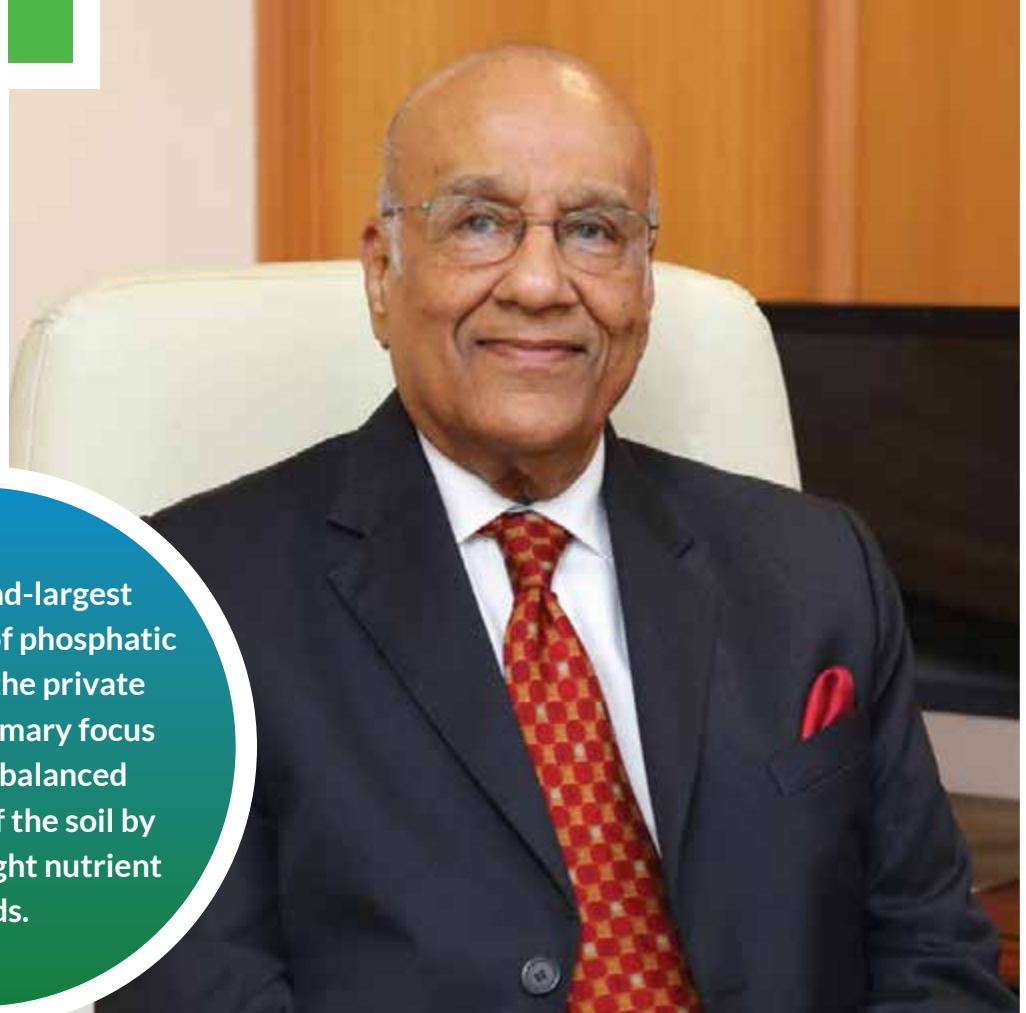
Indian Stock Exchanges listed the Company on 27<sup>th</sup> May with the Government of India exiting it

Goa fertiliser facility of Zuari Agro Chemicals Limited acquired for USD 280 Million in June





# Chairman's Communique



As the second-largest manufacturer of phosphatic fertilisers in the private sector, our primary focus is to ensure balanced fertilisation of the soil by offering the right nutrient blends.

## Dear Shareholders,

The year 2022-23 presented unparalleled challenges in the form of global supply chain disruptions and subsequent inflationary pressures. Along with other factors like rising input costs, including higher fuel and food grain prices, these challenges forced policymakers to take proactive measures to stabilise their economies. Central banks worldwide implemented synchronised policy tightening, which seems to have yielded positive outcomes.

However, in the tumultuous year that went by, India showed remarkable resilience in the face of global headwinds. The country achieved a solid growth rate of 7%, while the Reserve Bank of India (RBI) implemented well-calibrated and systematic interest rate hikes to bring inflation rates back within the target range. Additionally,

swift action by the Government to secure India's food chain, coupled with average rainfall ensured that the food prices are kept in check, thereby ensuring that no Indian goes hungry.

India's food grain production reached 323.55 Million tonnes in 2022-23, showing an increase from the previous year. The country has become a net exporter of agricultural products, with agriculture exports reaching USD 50.2 Billion in the same period. The kharif food grain production for 2022-23 was 149.9 Million tonnes, surpassing the average production of the previous five years.

India's population growth requires increased food and agricultural production, but available agricultural land is decreasing due to urbanisation and industrialisation. This leads to higher pressure on productivity per acre,



resulting in increased reliance on fertilisers. As a result, the demand for fertilisers is expected to remain high. Initiatives like *Aatmanirbhar Krishi* and *Aatmanirbhar Bharat* have reduced India's reliance on imported fertilisers and offer opportunities for domestic fertiliser manufacturers to expand. Factors contributing to increased fertiliser consumption include higher subsidies, improved rural incomes, better access to credit, adoption of technologies like the Internet of Things (IoT), corporate farming, growing farmer awareness of fertiliser benefits, and improved minimum support prices.

Fertilisers play a crucial role in agriculture by providing essential nutrients to the soil in optimal quantities. However, the global challenge lies in producing an adequate supply of sustainable fertilisers to meet the increasing agricultural demands and effectively nourish the growing global population. To achieve this, it is vital to enhance sustainable fertiliser production, which can improve industry efficiency, while minimising harmful emissions.

At PPL, our steadfast commitment lies in achieving harmony between human progress and environmental sustainability. We prioritise and actively engage in mitigating water and air pollution, safeguarding the environment, and responsibly managing waste. These

**The fertiliser market in India is projected to experience a steady growth rate, with a Compound Annual Growth Rate (CAGR) of 4.7% between 2023 and 2028. This anticipated growth is expected to drive the market value significantly in the coming years.**



**PPL specialises in manufacturing and distributing essential macronutrients such as Nitrogen, Phosphorus, Potassium, and micronutrients such as Sulphur, and Zinc. Additionally, we engage in the trading of Muriate of Phosphate, and DAP and additionally sell Ammonia, Sulphuric Acid, Zypmite and Gypsum.**

endeavours reflect our resolute dedication to this cause. We meticulously adhere to all applicable laws and regulations governing the discharge, emission, storage, handling, and disposal of substances involved in our operations. By doing so, we ensure compliance and demonstrate our commitment to environmental stewardship.

We are actively engaged in promoting energy efficiency, embracing clean technologies, adopting renewable energy sources, conserving water resources, and implementing a zero-effluent discharge policy. These may be small steps, but they are significant contributions towards creating a more sustainable future. By greening our operations and embracing eco-friendly practices, we aim to play our part in building a healthier and more prosperous planet.

As the second-largest manufacturer of phosphatic fertilisers in the private sector, our primary focus is to ensure balanced fertilisation of the soil by offering right nutrient blends. PPL specialises in manufacturing and distributing essential macronutrients such as Nitrogen, Phosphorus, Potassium, and micronutrients such as Sulphur, and Zinc. Additionally, we engage in the trading of Muriate of Phosphate, and DAP and additionally sell Ammonia, Sulphuric Acid, Zypmite and Gypsum.







PPL boasts of an extensive distribution network that comprises 21 regional marketing offices, over 450 stock points, a network of 6,500 dealers, and more than 65,500 retailers. This expansive network enables us to reach approximately 8 Million farmers throughout the country, providing them with access to the renowned brands 'Navratna' and 'Jai Kisaan Navratna'.

At PPL, we differentiate ourselves through a robust foundation of engineering analysis and meticulous planning. This is reflected in all our operations and is evident in the exceptional quality of our products. PPL boasts an extensive distribution network that comprises over 21 regional marketing offices, over 450 stock points, a network of 6,500 dealers, and more than 65,500 retailers. This expansive network enables us to reach approximately 8 Million farmers throughout the country, providing them with access to the renowned brands 'Navratna' and 'Jai Kisaan Navratna'.

To assist farmers in selecting the right fertilisers, PPL has established a centralised agricultural development laboratory in Bhubaneswar and operates a fleet of mobile soil testing labs. Moreover, the Company collaborates with the Government of Odisha in a Public-Private Partnership to run the farmer's training school, offering agricultural skills training to farmers in a classroom environment.





**NPK 19 was solely produced by PPL's Goa plant in India until 2022-23, while NPK 28 was produced only by two companies in India, including PPL's Goa Plant.**

Our Goa plant produces a unique bouquet of NPKs like 19 and NPK 28. NPK 19 was solely produced by PPL's Goa plant in India until 2022-23, while NPK 28 was produced only by two companies in India, including PPL's Goa Plant. The plant has also allowed us to expand to developed agricultural markets like Maharashtra, Karnataka, Madhya Pradesh, and Chhattisgarh.

Going forward, our brownfield backward integration plan aims to expand our phosphoric acid capacity from 300,000 tonnes per annum to 500,000 tonnes per annum. This will provide us with a competitive advantage and pave the way for further growth.

At PPL, we prioritise creating an empowering work environment for our employees, fostering enduring relationships and maintaining a low attrition rate. We aim to provide well-rounded experiences that contribute to personal and professional growth.

As a responsible corporate citizen, we recognise our duty to contribute to the socio-economic development of surrounding communities. Through our initiative called 'Navratna Prayas,' we positively impact the lives of approximately 50,000 individuals annually. We collaborate closely with 10,000 households near our plants, addressing livelihoods, education, and health, with a focus on water, sanitation, and hygiene (WaSH). We actively involve women and children in these endeavours, recognising their role in sustainable development and community well-being. Through our initiatives, we strive to make a significant positive impact, working towards a sustainable future for millions of people.

I would like to extend my heartfelt gratitude to all our stakeholders, including shareholders, Board members, employees, customers, suppliers, banks, regulatory bodies, and governments. Your unwavering support has been instrumental in propelling the progress of PPL. Without your invaluable contributions, we would not have achieved the remarkable growth and success that we enjoy today. Thank you for your continued support and trust in our Company.

Best regards,

**S.K. Poddar**  
Chairman



# From the CEO and MD's Desk



We have successfully scaled up our capacity to 3 MMTPA synergising all areas in our value chain across sourcing, product innovation, distribution, and customer-engagement. We have placed sustainability as a central theme in our growth path.

## Dear Shareholders,

Throughout our remarkable 42-year journey, we have discovered and harnessed our true potential, gathering invaluable experiences, and drawing important lessons from various outcomes. As we approach our Golden Jubilee year, I am filled with confidence that the next decade will present abundant opportunities for sustained growth and even greater achievements. Together, we eagerly anticipate embracing these opportunities and ascending to unprecedented heights.

## Our History

Paradeep Phosphates Limited is the second-largest private sector manufacturer and distributor of phosphatic fertiliser. PPL was incorporated in 1981 as a joint venture between the Government of India (GoI) and the Republic of Nauru (RN) to set up a phosphatic fertilisers manufacturing unit at Paradeep, Odisha. Later in 1993, with the divestment of RN's stake, PPL became a public sector enterprise (PSU). Subsequently, in 2002, GoI decided to divest close to 80% of its stake in favour of Zuari Maroc Phosphates Private Limited

(ZMPPL), a joint venture between Zuari Agro Chemicals Limited (ZACL) and the OCP Group S.A. While ZACL is a pre-eminent fertiliser player in India; the OCP Group, based in Morocco, is one of the world's largest phosphatic companies, controlling over 70% of the world's known phosphate reserves.

## Ensuring Food Security

India has achieved remarkable success in ensuring food security and safeguarding the livelihoods of farmers, while also addressing the issue of hunger. This was made possible by the Government's substantial increase in its fertiliser subsidy budget during the year 2022-23. This step was taken in response to the surge in international fertiliser prices and the challenges arising from various factors, such as the Russia-Ukraine conflict and export quotas imposed by China on raw materials.

During these challenging circumstances, PPL has shown its commitment to serving our nation by utilising our enhanced capacity to serve the fertiliser demand of the nation, while formalising sustainability.





### Our Contribution to Safeguarding India's Agricultural Chain

Over the year, we have successfully realised our expanded capacity of 1.8 Million metric tonnes per annum at Paradeep Plant, a significant increase from the previous 1.2 Million metric tonnes per annum. Additionally, our phosphoric acid capacity is in the process of expansion from 300,000 to 500,000 tonnes per annum. Furthermore, we have a dedicated berth at the Paradeep port, along with a 3.4-km long concrete conveyor belt that directly transports raw materials to the plant. We prioritised sustainability and effective resource utilisation. We localised raw materials, enhanced energy efficiency by harnessing heat from production processes, and implemented circularity principles. Backward integration and achieving 100% ZLD in operations reflected our commitment to reducing environmental impact and ensuring responsible practices.

To mitigate potential supply chain constraints, we strategically established our manufacturing units near port facilities, enabling efficient sourcing and implementation of backward integration. A significant enhancement to our operations was the revamping of the four trains at the Paradeep plant, ensuring smooth operations.

The acquisition of the Goa plant has aided in our capacity to reach 3 Million metric tonnes per annum, allowing us to meet the needs of over 8 Million farmers in 15 states. Our extensive network, comprising 21 regional marketing offices, 6,500+ dealers, 65,500+ retailers, and 450+ stock points, combined with a dedicated sales force, has played a pivotal role in ensuring the timely distribution of fertilisers to farmers.

### Notable Achievements of the Year

Despite the challenging geopolitical and macroeconomic environment, PPL has achieved a remarkable top-line performance during the year under review. Our Company recorded its highest-ever annual sales of ₹ 133,407 Million, representing a significant year-on-year growth of 70%. Additionally, our EBITDA increased by 26% to ₹ 8,921 Million, and we achieved a profit after tax of ₹ 3,042 Million.

Looking ahead, I am highly optimistic about the future of the fertiliser industry and the prospects of our Company. With the successful commissioning of our Goa plant at full capacity, both our plants are now operating at their maximum potential. This achievement has positioned us at the forefront, allowing us to play a pivotal role in India's food security efforts. As evidence of our strong market presence, we currently hold a substantial market share of ~8%.

In 2022-23, we produced a total of 2.032 Million metric tonnes, experiencing a remarkable year-on-year growth of 63%. Moreover, our sales volume reached 2.029 Million metric tonnes, showing a growth of 64% compared to the previous year. We are proud to have effectively converted the manufactured quantity into sold products.

During this period, we enhanced our capacity by 150%, reaching a run rate of 3 Million metric tonnes of finished fertilisers as of December 2022. This includes 1.8 Million tonnes per annum at the Paradeep plant and 1.2 Million

metric tonnes at the Goa plant. We are also making significant progress with our ongoing CAPEX projects, including the development of captive phosphoric acid and the capacity enhancement to 0.5 Million tonnes at the Paradeep site, as well as the installation of the fourth evaporator. These projects, scheduled for completion by the end of the first quarter of 2023-24, will further strengthen our backward integration and capabilities, leading to higher profitability.

Throughout the year, we successfully produced a wide range of complex fertiliser grades at both our Paradeep and Goa sites, providing farmers with improved options for soil and crop-specific nutrition. Notably, our Goa site produced a total of eight varieties of value-added NPK during 2022-23.

### Our Focus for the Year Ahead

With the Goa plant reaching its capacity, our aim is to reap the combined benefits with the expanded capacity of both our plants. Our foundation lies in ensuring sustainability across environment, social and governance. Building upon our growth, we place significant emphasis on increased collaboration with farmers nationwide, while further strengthening our sustainability initiatives in these key areas and promoting balanced fertilisation practices.

The Indian fertiliser industry is experiencing notable progress in innovation, and at PPL, we are actively involved in these advancements. We have developed newer formulations of NPK-based fertilisers, aligning ourselves with industrial innovations. Furthermore, we are currently involved in the development of nano fertilisers, a promising technology that could bring significant advancements to farming practices in India.

As we continue our journey towards digitisation in the agricultural sector, we have leveraged technology to optimise our sales network and incentivise our distribution channels. Our focus on agri service digitisation allows us to enhance efficiency in sales network operations and provide better channel incentives. Furthermore, we have effectively utilised social media platforms, such as YouTube, Facebook, and WhatsApp, to connect with our extensive network of dealers and farmers. Through these channels, we effectively communicate the purpose and brand story of our Company, fostering meaningful engagement and connection.

### A Note of Thanks

I want to sincerely thank the Board members, employees, customers, and suppliers for their invaluable contributions. By working together, we can seize the opportunity to make substantial progress in achieving a hunger-free India. Our goal is to increase agricultural output using environmentally sustainable methods and foster contentment among farmers, who play a crucial role in the food supply chain. Paradeep Phosphates aspires to be a steadfast partner in India's mission to enhance its food production capabilities.

Warm regards,

**N. Suresh Krishnan**

CEO & Managing Director





## PPL'S POSITION IN THE INDUSTRY

# Strengthening and Nurturing PPL's Industry Position

Paradeep Phosphates Limited has established itself as a prominent player in the industry, solidifying its position as a leading provider of fertilisers and agricultural solutions. With a strong market presence and a customer-centric approach, PPL continues to make significant contributions to the agricultural sector, driving innovation and fostering sustainable growth.

**~8%** Market Share

In Phosphatic Fertilisers during 2022-23

Trusted by

**8** Million +

Farmers

**150%**

Increase in Capacity during 2022-23





**PRODUCT PORTFOLIO**

# Strengthening Growth with Product Offerings

PPL offers a comprehensive range of fertilisers, including Nitrogen, Phosphate, and Potassium-based products. By providing a diverse selection of nutrient-rich offerings, the Company aims to promote and maintain optimal soil health for agricultural purposes.

PPL has developed a robust and diverse range of products to ensure optimal plant growth, yield, and quality through balanced fertilisation. The Company understands the significance of supplying essential plant nutrients like Nitrogen (N), Phosphorus (P), Potassium (K), in the correct proportions.

With its extensive capabilities, PPL is involved in the production, distribution, trading, and sale of a wide variety of advanced fertilisers. The Company’s product lineup includes Urea, DAP (di-ammonium phosphate), and different grades of NPK fertilisers. Additionally, it makes efficient use of by-products generated during

manufacturing processes, such as HFSA (High-Grade Fluorosilicic Acid), phosphogypsum, and zypmite, along with intermediate products like sulphuric acid, phosphoric acid, and ammonia.

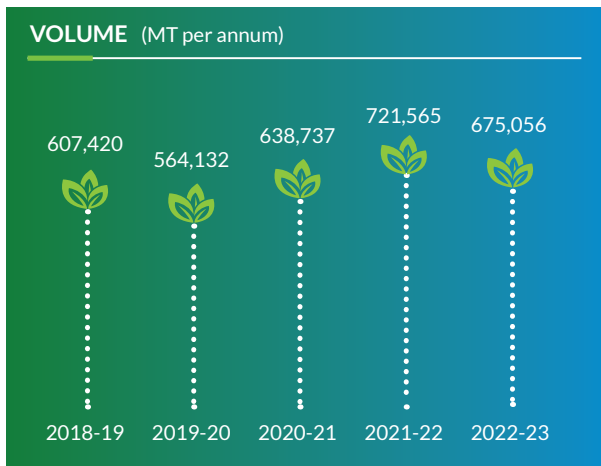
Apart from its core fertiliser products, PPL also engages in the sale, trading, and distribution of MOP (Muriate of Potash) and city compost. By offering a comprehensive range of products and utilising various by-products and intermediates, Paradeep Phosphates remains dedicated to supporting farmers and promoting sustainable agricultural practices throughout India.

**OUR PORTFOLIO**



## DAP

- DAP (Di-ammonium Phosphate) is a granulated and high-quality mineral fertiliser.
- Also available as Jai Kisaan Navratna DAP.



- It predominantly consists of 18% Ammoniacal Nitrogen and 46% Phosphate by weight.
- Highly soluble, it quickly dissolves in the soil to release plant-available phosphate and ammonium.
- The ammoniacal form helps in releasing micronutrients (Zn, Fe, Cu & Mn) from the soil, thus making them easily available for crop uptake.
- Band application is recommended for more efficient use of P.
- Available in 50 kg bags.





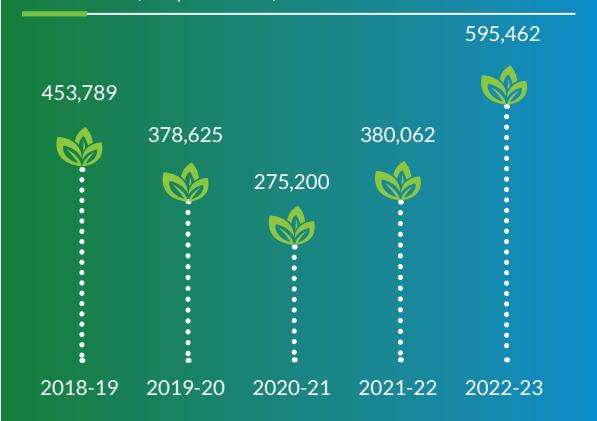
## NPK

Multi-nutrient, complex fertilisers, known as NPK fertilisers, encompass the three main nutrient elements essential for plant growth: Nitrogen, Phosphate, and Potassium. These complex fertilisers are created through a process of blending or chemical reactions involving Phosphoric Acid, Ammonia, Potassium Chloride (or Potassium Sulphate), Nitric acid, and other substances. During 2022-23, we achieved a total NPK production of 970,660 and our sales for the same period reached 901,177. Below are the details of our core NPK portfolio, which consists of NPK 20, NPK 12, and NPK 10.

### NPK 20

- The 1:1 ratio of Nitrogen and Phosphorus is beneficial for a wide range of vegetable crops.
- It provides Sulphur, the fourth most important nutrient after N, P, and K.
- The Sulphur content makes it suitable for oilseeds, pulses, and other crops like onions, garlic, chillies, soybean, sugarcane, paddy, and cotton among others.
- It is suitable for both basal and top dressing applications for all crops due to the high solubility of P.
- Available in 50 kg bags.

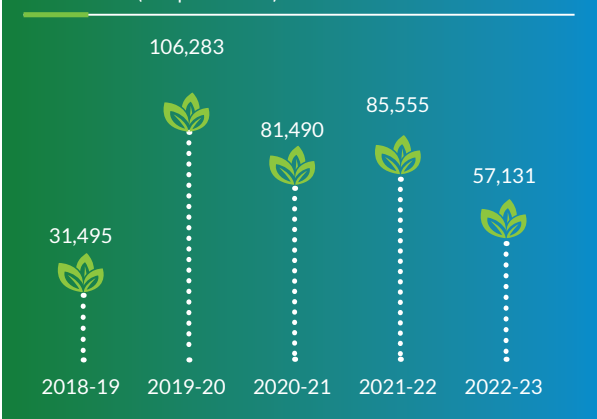
VOLUME (MT per annum)



### NPK 10

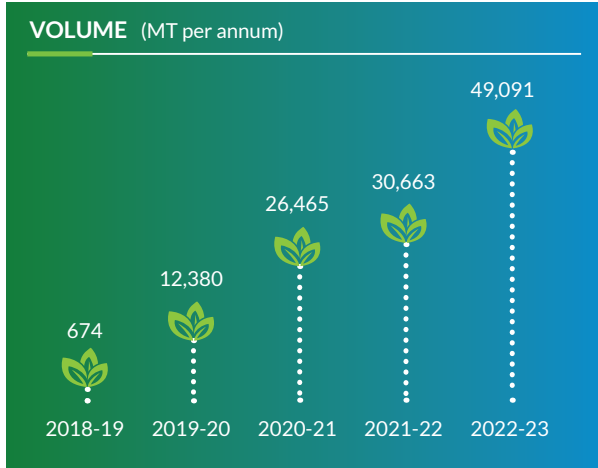
- Suitable for crops requiring high phosphate and potassium content. Ideally suited for sugarcane and potatoes.
- The ammoniacal form helps release micronutrients (Zn, Fe, Cu & Mn) from the soil, thus making them easily available for crop uptake.
- Basal and band applications are recommended for a more efficient use of P and K.
- Available in 50 kg bags.

VOLUME (MT per annum)



## NPK 12

- Greater root penetration and a better root system, even in poor soils, help young plants establish faster, even under adverse soil or climatic conditions.



- Potash helps build resistance to pests and diseases.
- Ideally suitable for oilseeds like soybean, groundnut, and sunflower.
- Useful for potatoes, ginger, turmeric, onions, and pulses.
- Available in 50 kg bags.



## NPK 19:19:19

- It is the most concentrated NPK fertiliser in a 1:1:1 proportion.
- Enhances tillering, branching, flowering, and yield.
- Contains traces of micronutrients as well.
- Ideal for balanced plant nutrition across all crops.
- Available in 50 kg bags.



**35,570** MT per annum

Production Volumes

## NPK 28:28:0

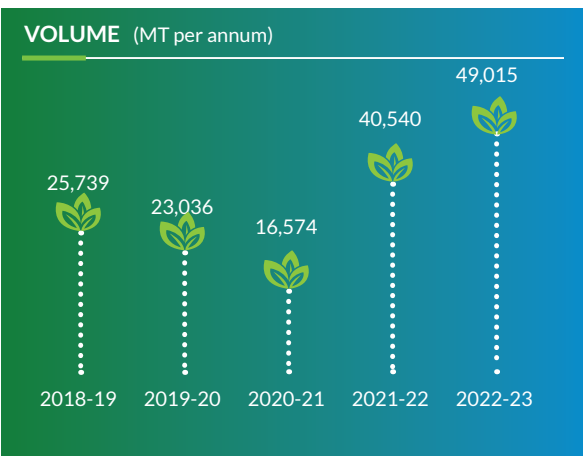
- Complex with the highest N & P in a 1:1 ratio.
- Highly soluble and quickly available to plants.
- Aids in root development, flower setting, and panicle emergence in plants.
- Improves photosynthesis, activates several enzymes, and facilitates energy transfer.
- Nitrogen is present in both ammoniacal and amide forms. Ammonium ions reduce the pH of the soil around the root system, enhancing the quick and easy absorption of phosphorus from the soil.
- The major portion (24% out of 28%) of phosphorus is in a water-soluble form and readily available to plants.
- Coating of Ammonium Phosphate over Urea during the manufacturing process minimises various types of nutrient losses from Urea.
- Due to the presence of a remarkable water-soluble portion of Nitrogen and Phosphorus, instant vegetative growth and development are observed.
- The presence of other nutrients like Sulphur, Calcium, and Iron enhances the crop's quality.
- It is suitable for application in all crops, especially for basal application in paddy, cotton, chilli, sugarcane and vegetables, among others.

**40,400** MT per annum

Production Volumes

## Zypmite

Zypmite is a blend of micronutrients, including Sulphur, Zinc, Boron, Calcium, and Magnesium. This unique formulation aids in enhancing soil fertility, optimising the utilisation of NPK fertilisers, and improving the overall crop yield quality.



## Urea

- Neem-coated urea provides a more gradual release of nitrogen due to its nitrification inhibition properties, thus aiding plants in obtaining greater nutrition and enhancing yields.
- Neem oil acts as an insecticide and helps deter insect attacks on crops.
- Suitable for use in both solid and liquid formulations.
- For more efficient utilisation of Nitrogen, split application and banding are recommended.
- Available in 45 kg bags.



**386,800** MT per annum

Production Volumes

## New Product

### NPK 24

- Jai Kisaan 24:24:00 is an FCO registered NP nutrient source fertiliser. It contains a minimum of 24.0% Nitrogen and 24.0% Phosphorus as  $P_2O_5$  by weight.
- It contains two major plant nutrients, namely Nitrogen and Phosphorus, that significantly determine plant growth and productivity.
- The NP ratio in this complex fertiliser is 1:1, making it an ideal fertiliser to meet the nutritional requirements of all crops, as they need an equal amount of Nitrogen and Phosphorus in the initial stages of plant growth.
- The presence of Nitrogen in both Urea and ammoniacal forms enables this product to fulfill immediate as well as subsequent N requirements during the early growth stages.
- It quickly dissolves in the soil, releasing plant-available phosphate and ammonium ions.

**69,800** MT per annum

Production Volumes

## Industrial Product

### Phospho-Gypsum

Phospho-Gypsum, containing Sulphur and Calcium in a 17:21 ratio, offers numerous benefits for alkaline soils. The presence of Sulphur in it contributes to increased crop yield, improved crop quality, and higher oil content in oil seeds. It also improves the effectiveness of fertilisers, promotes plant health, and enhances soil conditions. Additionally, it imparts appealing colour and flavour to the crops. On the other hand, the Calcium in Phospho-Gypsum aids in fruit development, enhances crop quality, stimulates plant growth and root development, supports metabolic activities, and prevents fruit cracking. Overall, Phospho-Gypsum significantly boosts the yield and quality of various crops such as rice, pulses, oil seeds, and sugarcane.



## STRATEGIES, OUTCOMES AND GOALS

# Nurturing Success through Sustainable Strategies and Goals

PPL has made significant effort to develop a comprehensive and resilient set of strategies, positioning itself for sustained growth and ongoing success in the industry. Through meticulous planning and skilful execution of these strategies, the Company is actively seeking to enhance its competitive advantage in the ever-changing business environment. With a strong dedication to strategic excellence, PPL is determined to fortify its market position, adapt to evolving customer needs, and capitalise on emerging opportunities to achieve long-term and sustainable growth.





## Capacity Utilisation and Product Diversification

### GOALS

To have the product mix aligned to market need and to have more NPK mix in our overall portfolio compared to DAP

### STRATEGY

Expand into allied areas and optimally utilise the total capacity of 3 MMTPA

### OUTCOME

Achieved capacity utilisation of

**84%**

## Productivity and Cost Improvement

### GOALS

Reduce cost and further improve earning potential

### STRATEGY

1. Enhance the captive phosphoric acid capacity from 0.3 to 0.5 MMTPA by Q1 2023-24
2. Enhance the captive Sulphuric Acid capacity from 1.39 to 1.90 MMTPA to backward integrate in line with phosphoric acid and to generate captive green power

### OUTCOME

Power cost reduced by

**78%** compared to the grid

## Market Expansion through New Channels

### GOALS

Expand market presence in existing as well as newer regions to promote balanced fertilisation in India

### STRATEGY

Building relationships with channel partners and retailers through the Jai Kisaan Navratna Sambandh loyalty rewards programme. For institutions, regular meetings are organised to apprise them about our product portfolio.

### OUTCOME

Tapped newer regions of central and eastern parts by onboarding more than 1,000 dealers across regions

## Identify Inorganic Growth Opportunities

### GOALS

Capture market potential through capacity expansion

### STRATEGY

Continue to explore potential inorganic growth opportunities in the future

### OUTCOME

Completed the acquisition of Goa facility from ZACL in June 2022





## WHAT SETS US APART

# Playing to Strengths: Key Advantages

PPL derives significant advantage due to a range of factors. These include a favourable macroeconomic environment and the invaluable achievements amassed over four decades of remarkable success.



## Manufacturing Strengths

PPL operates two strategically located manufacturing units in Paradeep and Goa with a combined DAP/NPK capacity of 3 Million metric tonnes per annum. The Company aims to strengthen its position by increasing captive sulphuric acid capacity from 1.39 to 1.90 MMTPA, aligning with backward integration of phosphoric acid production to enable lower-cost captive green power generation. Current annual phosphoric acid capacity is 300,000 tonnes per year, increasing to 500,000 tonnes per year after expansion. The Goa plant uniquely houses co-located urea and complex manufacturing, enabling specialised NPK blends. This positions PPL ahead of competitors as one of only six plants in India with these capabilities.

## Robust Value Chain

PPL has established a strong integrated supply network domestically and internationally. Long-term contracts with key partners like the influential OCP Group ensure smooth, dependable raw material supply. This strategic collaboration enhances PPL's ability to source internationally, reinforcing its commitment to seamless operations. Since 2021-22, PPL has expanded manufacturing capacity by 150% and pursued backward integration of phosphoric and sulphuric acid production. By growing its distribution network, PPL aims to increase its reach and connections with farmers. The robust supply chain and strategic expansions position PPL for continued growth.

## Streamlined Logistics

The Paradeep plant's proximity to the Paradeep port provides strategic advantage with convenient access to waterways, railways, and highways, enhancing logistics to efficiently serve eastern, central, and southern Indian markets. Similarly, the Goa plant near Mormugao port offers captive power, railway siding, storage infrastructure, and bagging capabilities to cater to western, central, and southern agricultural states. The strategic locations of the Paradeep and Goa plants with port access empower PPL with efficient logistics reaching key markets across India.

## Extensive Product Line

PPL offers a diverse array of products in its portfolio, encompassing various fertilisers such as DAP, different grades of NPK (NPK 10, NPK 12, NP 20, NPK 19, NPK 28), Urea, Zypmite, and a by-product known as Phospho-Gypsum. Furthermore, the Company manufactures ammonia, sulphuric acid, and phosphoric acid for captive use.

## Wide and Expanding Distribution Network

The Company aims to enhance profitability and yields by optimizing production capacity utilisation. This is supported by the extensive distribution network enabling efficient inventory and scaling of products to customers across regions. With over 450+ stock points covering 15 states, the distribution infrastructure drives geographic penetration. Enhancing this network and marketing initiatives will further strengthen capabilities for optimised operations, profitability and geographic coverage. The focus on maximising capacity use along with robust distribution strengthens efficiency, yields and earnings.

## Food Security and Favourable Policies

India's large and growing population of 1.4 Billion underscores the importance of fertilisers for sustainable agricultural productivity. The fertiliser market is expected to see steady growth at a 4.7% CAGR from 2023-2028. The Government recently approved a substantial ₹ 1.79 lakh Crores fertiliser subsidy for the 2023-24 season, allocating ₹ 44,000 crores for phosphatic and potassic fertilisers and ₹ 1,35,000 crores for Urea. With its ~8% market share, PPL is poised to leverage favourable policies and emerging opportunities to strengthen its position as a leading fertiliser company in India's high-potential market.





## WHAT SETS US APART

# Business Model

### INPUT



#### FINANCIAL CAPITAL

PPL is dedicated to delivering best-in-class returns to shareholders, while concurrently prioritising a healthy balance sheet and actively reducing effective tax rates.

₹ **2,912** Million

Interest Cost

**63** Days

Receivables Days

₹ **104,397** Million

Cost of Raw Materials Consumed



#### MANUFACTURING CAPITAL

PPL strives to expand its capacities through acquisitions and expansion of existing facilities.

**2**

Manufacturing Facilities

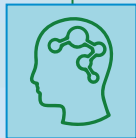
Actual Production Capacity

**2.415** Million

Metric Tonnes Per Annum

**84%**

Capacity Utilisation



#### INTELLECTUAL CAPITAL

PPL places a strong emphasis on harnessing its R&D (research and development) strength to create a lasting impact in the agricultural sector. By leveraging its capabilities in R&D, the Company aims to bring about meaningful advancements and innovations that will have a profound and enduring influence on the agricultural industry.

#### PPL Navratna R&D Centre

**5**

R&D Team Strength

₹ **1.19** Crores

R&D Spends



#### HUMAN CAPITAL

PPL attracts best-in-class talent through its continuous efforts to grow sustainably and works closely with them to realise mutual goals.

**2,468**

Total Employees and Workers

**28.67**

Average Training Hours Per Employee



#### SOCIAL AND RELATIONSHIP CAPITAL

PPL works closely with the community to contribute to economic development, social management, natural resource management, and infrastructure development.

**6,000+**

Suppliers

**6,300+**

Number of Farmer Meetings Held

₹ **7.54** Crores

CSR Expenditure



#### NATURAL CAPITAL

PPL strives to improve its processes to make them environment-friendly by conserving energy, enabling GHG reduction, and managing its waste and waste water.

**908** Joules

Solar Energy Consumed

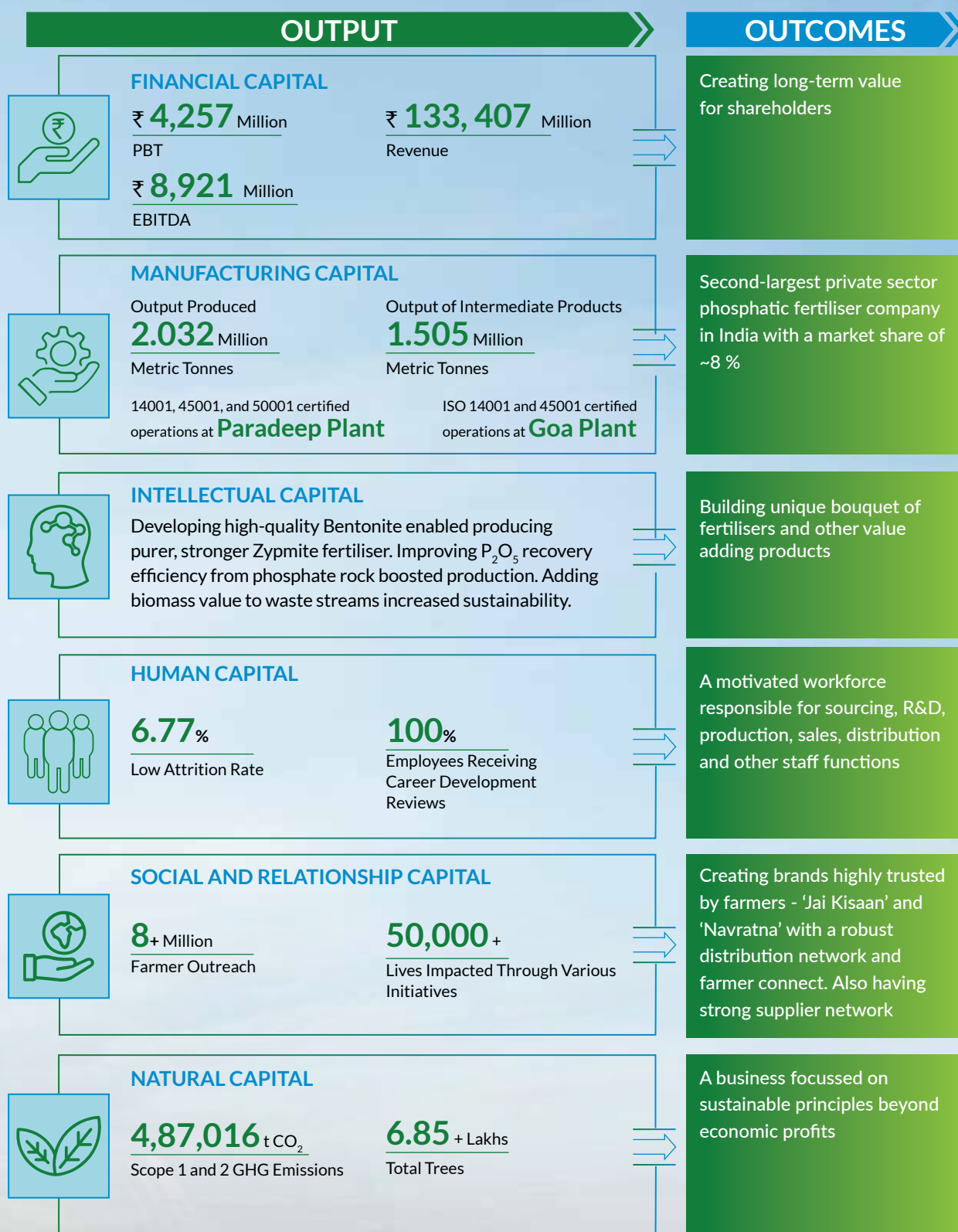
**0.3** Million m<sup>3</sup>

Water Recycled

**12,879,217** G-Joules

Total Energy Consumed





## FINANCIAL CAPITAL

# Nurturing Growth through Robust Financial Capital

PPL prioritises strong financial discipline and strives to maximise shareholder returns, all the while considering the well-being of other stakeholders and creating value for them. The Company is deeply committed to utilising financial resources efficiently in order to attain sustainable long-term growth.

### Material Topics



Economic Performance



Maintaining a Healthy Balance Sheet

### SDGs Covered



₹ **133,407** Million

Revenue for 2022-23

**70%**

Year-on-Year Growth

₹ **8,921** Million

EBITDA

**1.32** x

Total Debt/Equity

₹ **41,051** Million

Market Capitalisation as on 31<sup>st</sup> March 2023

₹ **35,052** Million

Net Worth

₹ **3,037** Million

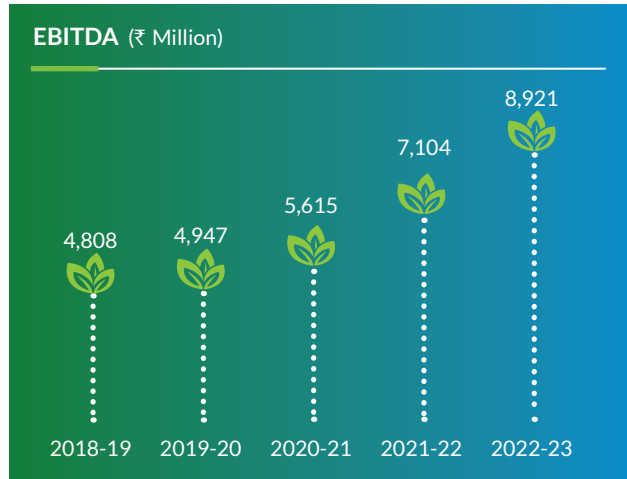
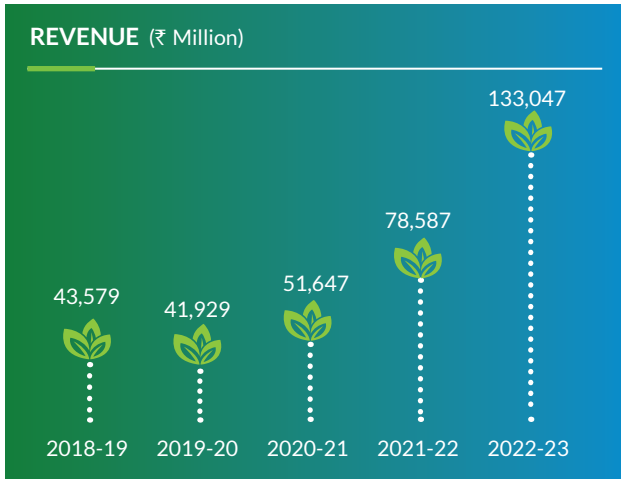
Profit After Tax



## OVERVIEW

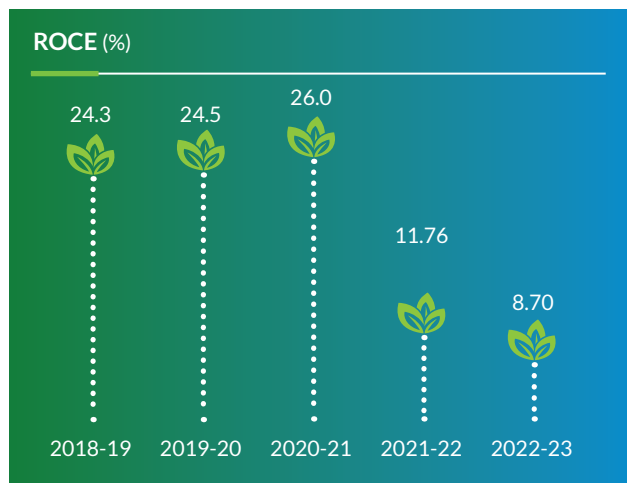
Paradeep Phosphates Limited has had a phenomenal growth in revenues showcasing a 32% CAGR in the last five financial years. Revenues increased 70% in 2022-23 over the previous year, despite the challenging geopolitical and macroeconomic environment, as well as the pressure on key raw material prices. EBITDA increased by 26% and can be attributed to higher production and sales.

### Highlights



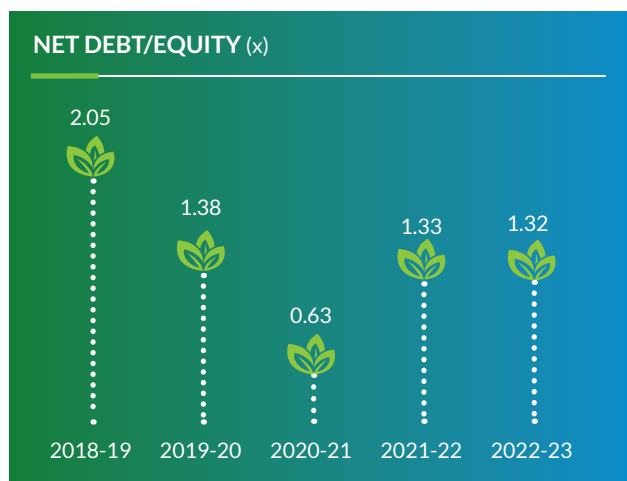
## RETURN ON CAPITAL EMPLOYED

Over the past five financial years, the Company has consistently delivered a Return on Capital Employed (ROCE) surpassing 20%, with its highest recorded at 26.4% in 2021-22. This exceptional performance instils confidence in PPL, as it remains steadfast in its commitment to maintaining a ROCE above 20% and aims to achieve even higher levels in the forthcoming financial years.



## NET DEBT/EQUITY

PPL has demonstrated a commendable reduction in its debt-to-equity ratio over the past five years, showcasing its commitment to financial prudence. Despite borrowing to fund expansion initiatives, the continual decrease in the overall debt-to-equity ratio exemplifies the Company's adeptness at managing and minimising its borrowings, while maintaining a robust and healthy financial ratio.





## ROBUST FINANCIAL PERFORMANCE

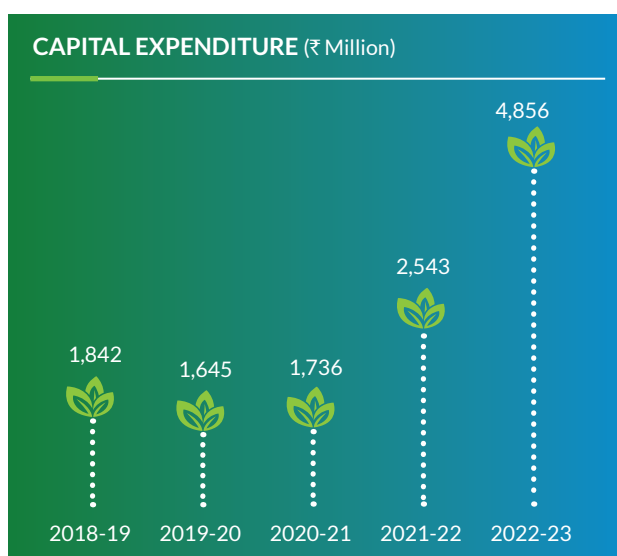
Despite the significant disruptions in the supply chain that adversely affected fertiliser raw material prices, PPL demonstrated a robust financial performance in 2022-23. This is largely due to expansion of capacities, reaching a run-rate of 3 Million metric tonnes per annum, which enabled the Company to meet the fertiliser demand in the country more effectively.

The Government’s increased subsidies aimed at ensuring a smooth flow of fertilisers during times of heightened raw material prices led to an increase in the subsidy receivable amount for PPL. As a result, the Company raised its short-term borrowings to address short-term liquidity needs, which was well-balanced by the substantial improvement in subsidy receivable days. PPL has exemplified a disciplined approach to financial management, maintaining a healthy working capital, as evident from its low trade receivables days, which have decreased by 64% since 2018-19, standing at 63.

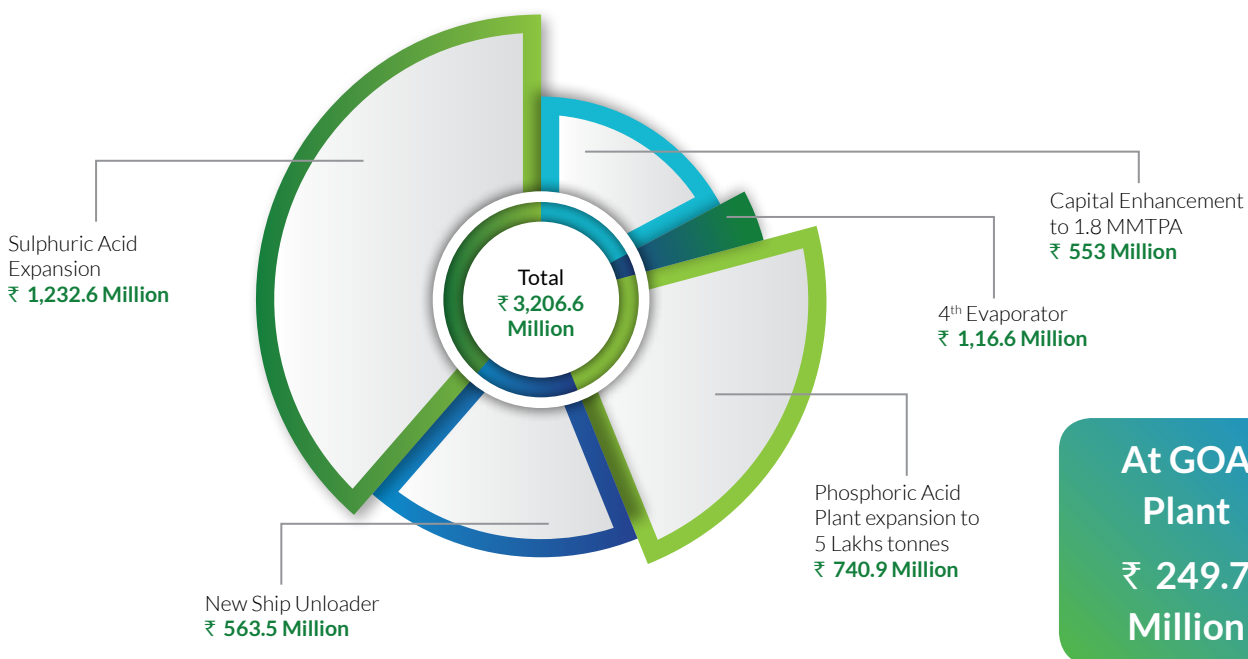
One of the strategic advantages for PPL is its long-term agreement with OCP Group, its promoter, which oversees the management of the world’s largest phosphate reserve. This valuable partnership provides PPL with a significant competitive edge by enabling the Company to procure raw materials at a comparatively lower cost, contributing to its overall success.

## OUTLOOK

Towards the end of 2022-23, there was a global correction in raw material prices, which led the Government to reduce its subsidy outlay for nutrient-based fertilisers. As a result, the need for short-term borrowings is expected to decrease, and the subsidy receivable days are also anticipated to decline. In 2023-24, margins are projected to improve further due to reduced costs. This improvement will be driven by the increase in phosphoric acid capacity, which is set to rise from 300,000 tonnes per annum to 500,000 tonnes per annum, as well as the installation of the fourth evaporator. With the continuous expansion of capacity and the growing demand for fertilisers in India, PPL is poised to enhance its financial strength.



## MAJOR EXPENSES OF 2022-23 AT PARADEEP PLANT



## MANUFACTURING CAPITAL

# Strengthening Products through Effective Manufacturing Capital

PPL recognises the critical role of manufacturing capital in safeguarding India's food security by ensuring a reliable and uninterrupted supply of fertilisers to farmers. Through comprehensive end-to-end processes and strict adherence to regulatory standards, the Company maintains a steadfast commitment to consistently deliver high-quality products that cater to the ever-changing requirements of farmers and the agricultural community.

### Material Topics



Manufacturing High Quality Nutrient Dense Fertilisers



Timely Acquisitions of Raw Materials



Smooth and Unhindered Production

### SDGs Covered



# 2.415

MT per annum

Actual Production Capacity

# 84%

Capacity Utilisation for the Year 2022-23







## OPERATIONAL HIGHLIGHTS

<p><b>01</b> First Quarter</p>	<ul style="list-style-type: none"> <li>● Completion of revamp of three out of four granulation trains at Paradeep site</li> <li>● Acquisition of Goa Plant (1.2 MMTPA) to enhance capacity</li> <li>● New production innovation (NPK 14:28:0) to improve farmers' choice</li> </ul>
<p><b>02</b> Second Quarter</p>	<ul style="list-style-type: none"> <li>● Goa plant started operating all three trains to produce Urea and NPKs</li> <li>● Launched newer NPK grades (NPK 24:24:0 and NPK 14:28:14) to further improve the choices for farmers</li> </ul>
<p><b>03</b> Third Quarter</p>	<ul style="list-style-type: none"> <li>● Achieved highest ever monthly production of 152,005 MT of fertilisers at Paradeep site in January 2023</li> <li>● CAPEX projects ( captive phosphoric acid addition from 03 to 05 Lakhs and installation of 4<sup>th</sup> Evaporator) on track &amp; expected to be completed by Q1 of 2023-24</li> </ul>
<p><b>04</b> Fourth Quarter</p>	<ul style="list-style-type: none"> <li>● Successfully completed the granulation revamp for all four trains at Paradeep site, achieving a daily average production rate of 5,000 MT from December 2022</li> <li>● Goa site operations further stabilised to produce both Urea and NPKs in full swing</li> </ul>





## STORY OF PPL'S CAPACITY EXPANSION

The Paradeep Plant of Paradeep Phosphates in Odisha, India, is a large phosphatic manufacturing facility. It recently expanded its capacity from 1.2 to 1.8 Million metric tonnes annually, meeting the growing demand for its high-quality products. The plant also increased its phosphoric acid production to fulfil 90-92% of its requirements and secured contracts with OCP for the remaining 8%. The installation of a 4<sup>th</sup> evaporator and upcoming plans for sulphuric acid production will enhance the manufacturing process for DAP and NPK fertilisers. The plant operates four trains for DAP and NPK production, three plants for sulphuric acid production, and three captive power plants. It has a dedicated berth and a concrete conveyor belt at the Paradeep port, facilitating the smooth flow of raw materials. The Paradeep plant's products, marketed in Eastern, Central, and Southern India, have a strong presence in the states of these zones.

### Annual Production Capacity at Paradeep

DAP and NPK

**1.8** Million

Metric Tonnes Per Annum by  
End of 2022-23

Sulphuric Acid

**1.4** Million

Metric Tonnes Per Annum

Phosphoric Acid

**0.3** Million

Metric Tonnes Per Annum



## THE JOURNEY OF STABILISING THE GOA PLANT

In June 2022, PPL acquired ZACL's Goa plant, increasing its capacity by 150%. The plant produces a range of fertilisers including Urea, NPK, and complex fertilisers. Notably the Company's Goa plant produces a unique bouquet of NPKs such as NPK 19 and NPK 28. NPK 19, until 31<sup>st</sup> March 2023, was exclusively produced by the Goa plant in India, and NPK 28 is produced only by two players in India, including PPL's Goa plant.

The Goa plant services the developed agricultural markets of Maharashtra, Karnataka, Madhya Pradesh, and Chhattisgarh which together consume 46% of the country's phosphatic fertiliser consumption. The Goa plant, located near Mormugao port, comprises two NPK production plants (NPK A and NPK B), an Ammonia production plant, a Urea production plant, a captive power plant, a railway siding, raw materials and finished goods storage infrastructure, and a bagging plant.

### Annual Production Capacity at Goa

DAP and NPK

**0.80** Million

Metric Tonnes Per Annum

Urea

**0.40** Million

Metric Tonnes Per Annum

Ammonia

**0.23** Million

Metric Tonnes Per Annum







Through strategic expansions and operations at the Paradeep and Goa plants, PPL has achieved a significant increase in its capacity. This expansion has had a profound positive impact on over 8 Million farmers. By supplying an abundant quantity of fertilisers to farmers, PPL has made a valuable contribution to strengthening the nation's food security efforts.

## STRENGTHS

PPL sources most of its raw materials through long-term contracts from various suppliers across the world. For its phosphatic requirements, (Phos rock and acid), the Company directly sources from its promoters the OCP Group. The OCP is the custodian of 70% of the world's known phosphatic reserves and guarantees high quality and reliable supply to PPL.

PPL has undertaken a backward integration to increase its phosphoric acid output from 3 Lakhs metric tonnes per annum to 5 Lakhs metric tonnes per annum to be commissioned in Q1 of 2023-24. This will significantly fulfil the Company's requirement of phosphoric acid by more than 90%.

## OUTLOOK

With further increased capacity, the Company will be able to serve larger geographical markets. Increased output of phosphoric acid will ensure quick availability of larger quantities of raw material. Further, PPL aims to increase its output of sulphuric acid by 0.5 Million metric tonnes per annum in the coming two years.

## QUALITY CONTROL

PPL, the second-largest phosphatic fertiliser producer in the private sector, places utmost importance on maintaining exceptional quality standards. The Company implements robust systems and policies to ensure consistency, compliance, and continuous improvement. In line with global industry standards, PPL holds ISO 9001:2015 certification and adheres to Good Manufacturing Practices (GMPs).

To uphold its commitment to quality, the Company has established advanced laboratories at its Paradeep and Goa plants. These state-of-the-art facilities are equipped with cutting-edge analytical instruments, enabling precise measurement and analysis of environmental parameters. Additionally, the Company collaborates with third-party laboratories for stack and ambient air monitoring, further enhancing the accuracy and reliability of its environmental assessments. PPL takes pride in its Protect and Sustain certification from the International Fertiliser Association (IFA), which serves as a testament to its dedication to responsible and sustainable practices within the industry.



INTELLECTUAL CAPITAL

# Ensuring Sustainability of Operations through Intellectual Capital

PPL's steadfast dedication to innovation and continuous advancement has played a pivotal role in securing its competitive advantage within the industry. By consistently staying ahead of the competition, the Company not only preserves its leadership position but also generates significant value for its stakeholders.

Material Topics



Manufacturing Fertilisers to Promote Soil Health

SDGs Covered



₹ **1.19** Crores  
R&D spends for Year 2022-23

**5** People  
R&D Team

## HIGHLIGHTING R&D CAPABILITIES

PPL has a renowned R&D team located at the Paradeep facility in Odisha. Recognised by the Department of Scientific and Industrial Research (DSIR) since 2014, this dedicated team is focussed on innovation and delivering high-quality products to customers. With a strong track record of developing new products and processes, PPL's R&D team consistently enhances efficiency and profitability within the Company, enhancing their range of offerings. Committed to excellence in both products and services, PPL's R&D team continually strives to explore new technologies and processes. This proactive approach ensures that they meet the evolving needs of customers, while making valuable contributions to India's overall economic growth.







## RESPONSIBILITY OF PPL R&D

- To develop new products and new application
- Testing and validation
- Process optimisation and quality improvement
- Sustainable use of waste into value chain

## KEY ACHIEVEMENTS OF R&D TEAM DURING 2022- 23 INCLUDE

- Developing suitable Bentonite resources resulted in producing Zypmite with higher purity and crushing strength
- Achieving higher efficiency in  $P_2O_5$  recovery from rock
- Adding biomass mediated value to fertiliser waste

## MEMBERSHIPS

The Company actively engages with industry bodies and platforms such as CII, FICCI, ASSOCHAM, and ICC to enhance efficiency in the fertiliser sector. It also partners with academic institutions like IIT Bhubaneswar and CSIR to leverage smart agriculture and develop innovative crop solutions. Notably, its cooperative project with PPL Navratna R&D and DST CSIR IMMT focusses on sustainable waste management practices in the fertiliser industry.

## DIGITAL INNOVATION

The Company embraces technological advancements and digitalisation for enhanced operational efficiency. All the business activities of PPL are seamlessly integrated using SAP S/4HANA, enabling real-time transactions, data analysis, and informed decision-making. Additional systems like an SAP-integrated agri sales portal, streamline processes for the field sales force, handling agents, transporters, and dealers, promoting efficient sales management and comprehensive dealer statement of accounts.





## DIGITISED AGRICULTURAL SERVICES

The mFMS (Mobile-based Fertilisers Monitoring System) has transformed India's agricultural sector by enabling Direct Benefit Transfer and monitoring fertiliser movements to individual farmers through POS devices. As a prominent player, PPL has digitised its agri services through internal portals, applications, and collaborations with digital partners. On-site officials provide guidance and the Jai Kisaan agri application facilitates effective communication and support. These initiatives drive the digitalisation of the agricultural sector, empowering farmers and promoting positive change.

## PRODUCT EXCELLENCE

PPL continuously expands and enhances its product range to effectively meet the varied requirements of farmers. Its diverse portfolio includes Urea, DAP, NPK (Complex Fertiliser), and soil conditioners that provide balanced nutrition tailored to different soil types and crops. The manufacturing lines are flexible, allowing the production of various NPK grades based on market demands. Valuable feedback from farmers and specific soil and crop needs, enable the development of new product varieties. In addition, the Company engages in the trading of Muriate of Potash providing a comprehensive solution to farmers. Through the pioneering Vibroprilling Technology, the Company elevates product quality by ensuring larger prill size, uniform distribution, improved strength, and reduced emissions. Notably, all Urea production is 100% neem coated in adherence to the Government of India's 2015 mandate, which aims to enhance fertiliser use efficiency.

## OUTLOOK

PPL has implemented a robust R&D strategy to create long-term value for the Company and its stakeholders. This involves incorporating emerging technologies into future products and processes. One notable initiative undertaken by the Company is the 'Biomass Mediated Value Addition to Fertiliser Industries Waste' project. It addresses the issue of waste management associated with Phospho-Gypsum, a byproduct of phosphoric acid production. Through a neutralisation process, the project has successfully developed a customised biofertiliser that is rich in Carbon, Sulphur, Calcium, Potash, and other essential nutrients, thereby effectively utilising and repurposing the waste material.

Another focus area of research for PPL is the development of an anti-scaling agent specifically designed for cleaning graphite heat exchangers. By preventing scaling issues, this endeavour aims to improve the efficiency and lifespan of heat exchangers. Additionally, PPL is actively exploring the development of a prototype metallic heat exchanger, potentially offering an alternative to traditional graphite-based systems. This prototype aims to explore new materials and technologies that can enhance heat exchange processes and offer advantages over existing graphite-based systems.



## NATURAL CAPITAL

# Nurturing Sustainability by Utilising Natural Capital

PPL's steadfast dedication to environmental sustainability fuels its continuous endeavours to mitigate the negative impacts of its operations on the environment. The Company deeply acknowledges the significance of responsible resource management and consistently works towards enhancing its existing practices, actively seeking innovative solutions to further reduce its environmental footprint.

### Material Topics



Minimising Emissions through Operations



Recycling Waste

### SDGs Covered

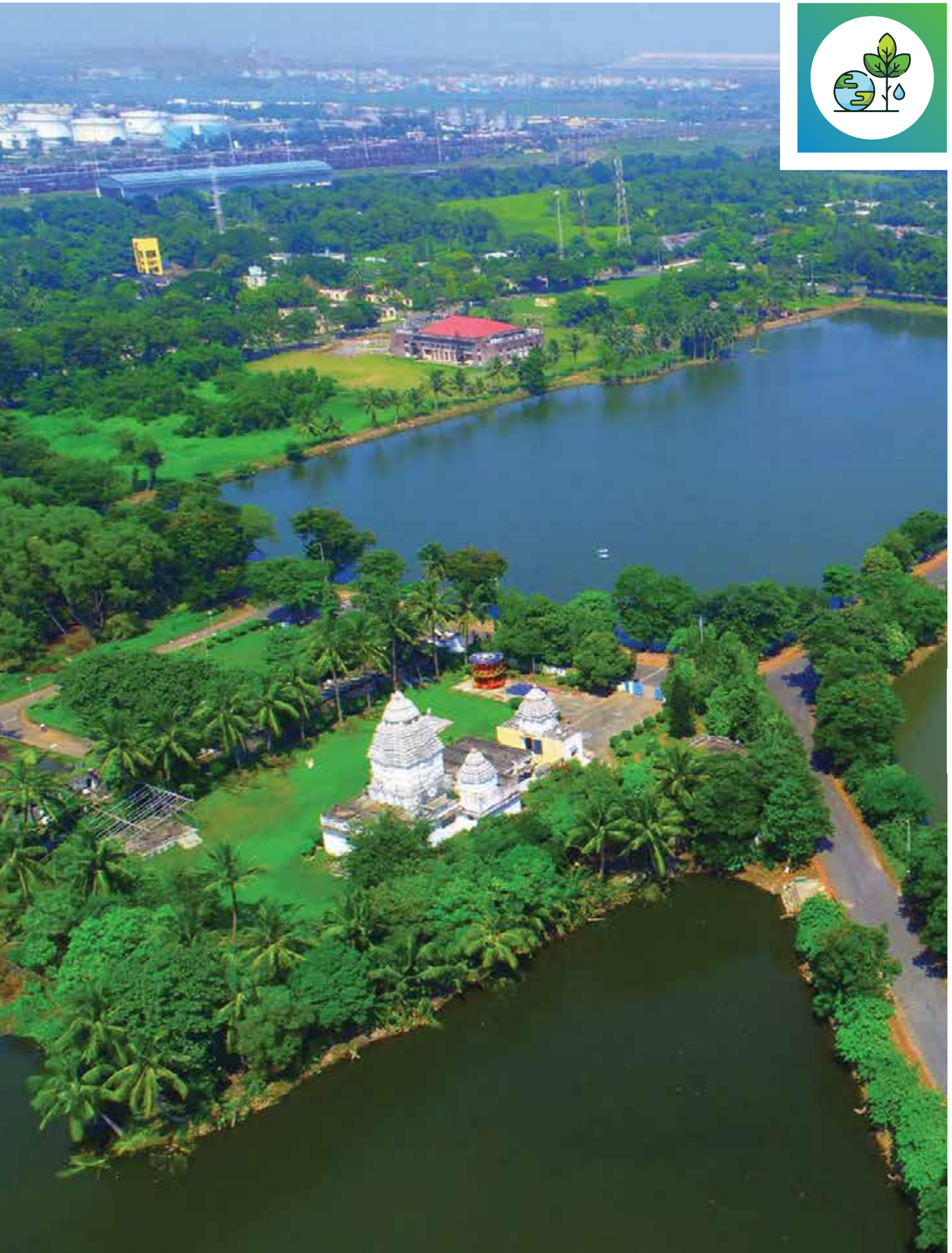


PPL recognises the significance of resource conservation in ensuring sustainable operations and long-term value creation for all stakeholders. The Company thus puts environmental stewardship at the core of its business strategy. PPL is committed to improving resource efficiency to minimise its carbon footprint and actively work towards decarbonisation. The Company's environmental management system, in line with global

standards, guides their continual efforts to enhance environmental performance and generate value for the organisation. The manufacturing facilities in Paradeep and Goa have obtained ISO 14001:2015 certification, and strictly adhere to relevant environmental guidelines and regulatory requirements, including the MoEF&CC Charter on Corporate Responsibility for Environmental Protection Action Points (CREP) guidelines for the fertiliser sector.









During the financial year, the Company initiated the measurement of their environmental footprint baseline, encompassing greenhouse gas emissions, waste generation and disposal, and water consumption. PPL is proactively seeking opportunities to reduce its environmental impact, while maintaining operational standards and shareholder value. These efforts have resulted in tangible outcomes such as energy savings, water conservation, emission reduction, and effective waste management.

**0.3** Million m<sup>3</sup>  
Water Recycled

**12,879,217** G-Joules  
Total Energy Consumed

**100** %  
ZLD Operation

**206,000+**  
Soil Samples Tested and Delivered

### MATERIAL MANAGEMENT INITIATIVES

The Goa plant relies on natural gas as its primary raw material for producing ammonia, which is subsequently used in the manufacturing of Urea. In the production of DAP and NPK fertilisers, the Company utilises rock Phosphate, Sulphur, Ammonia, and Muriate of Potash as the main raw materials. Intermediate products, such as sulphuric and phosphoric acid, are combined with Ammonia and Potash to create the final products. To mitigate its carbon footprint, the Company has successfully secured a supply of Molten Sulphur from IOCL, leading to reduced imports, cost savings, and direct greenhouse gas (GHG) savings. This can be attributed to the elimination of steam conversion and the subsequent reduction in transportation emissions.

### HEAT RECOVERY SYSTEM

The Paradeep facility utilises waste heat recovery systems in sulphuric acid plants to meet its energy demand. Three captive power plants, with a total capacity of 55 MW, generate power from steam produced by the heat recovery systems, ensuring energy self-sufficiency. The facility holds ISO 50001 certification for Energy Management System. The implementation of waste heat recovery systems in all three sulphuric acid plants enables daily power generation equivalent to 245 MW, replacing 142 MT of coal and eliminating 225,191 tCO<sub>2</sub>e annually.





PPL has Implemented Several Measures to Reduce its Energy Consumption, including

Replacement of approximately 85% of conventional lights with LED lights

Installation of energy-efficient motors

Optimisation of steam recovery processes

Reduction of power consumption in the Effluent Treatment Plant (ETP) by reducing the effluent load

## ENERGY CONSUMPTION TABLE FOR 2022-23

### MANAGING ENERGY CONSUMPTION

The Company is dedicated to environmental responsibility and is making targeted efforts to increase its investment and reliance on renewable sources of energy. To this end, a 255-kWh solar module has been installed in the PPL's Paradeep township, resulting in a decrease in power import from the captive power generation unit and grid.

### CIRCULAR ECONOMY

The Company produces a substantial amount of Gypsum, exceeding 5,000 MT/day, as a significant by-product of its phosphoric acid production. In response to the challenge of managing legacy stocks of Gypsum, the Company has implemented a successful approach by utilising it in road construction and cement manufacturing. This initiative has proven highly effective, resulting in the evacuation of Gypsum at a rate that surpasses its generation. Furthermore, PPL has undertaken dedicated R&D efforts to explore innovative applications for Phospho-Gypsum. Zypmite Plus, an outstanding soil conditioner, which supplements for soil lacking Calcium & Sulphur and alters the pH of the soil providing an ideal condition for plant growth. It helps plant to mine nutrients better by maintaining pH and provides nutrients like Ca, S, Zn & B.

Following these, the Company has commissioned a 10-TPH Zypmite plant for granulation, and the final product is carefully packaged for distribution. This significant development showcases the Company's commitment to innovation and sustainable utilisation of by-products, contributing to enhanced resource efficiency and value creation.

### FLORA AND FAUNA CONSERVATION

The Company prioritises environmental protection in its areas of operation by conducting periodic biodiversity assessments and implementing mitigation measures. It develops green belts through plantation activities, having planted over 6.85 Lakhs trees to date. The Company also supports local communities by providing free saplings during annual tree plantation drives. It conducts regular clean-up of ponds and water bodies, and bird census is carried out by the Department of Forest, Odisha. These initiatives aim to minimise the impact on biodiversity and promote rainwater harvesting. The Company's CSR efforts extend to protecting biodiversity beyond its premises, encompassing a wide range of tree species.

### WATER CONSERVATION

Given the medium- and high-water stress in its operational areas, PPL prioritises water conservation. Groundwater is not sourced for industrial or domestic purposes, and water is obtained from the Taladanda canal at the Paradeep facility. PPL ensures that the wastewater remains within the plant's location to prevent discharge. Through initiatives like heat recovery systems and efficient practices, the Company has reduced water consumption by 45% and over 50% at its Goa facility. It adheres to regulations on effluent discharge and maintains zero liquid discharge during the non-monsoon season through closed-loop water cycles and recycling channels. Rainwater harvesting and a Reverse Osmosis (RO) plant at the Goa facility further contribute to reducing freshwater consumption.



**SOCIAL AND RELATIONSHIP CAPITAL**

# Strengthening the Foundation through Social and Relationship Capital

PPL is dedicated to creating a society that promotes the well-being, prosperity, and happiness of individuals, striving to foster an environment where everyone can thrive. At the heart of its mission lies the ambition to actively shape a future that offers limitless possibilities for all. Acknowledging the pivotal role played by the digital revolution in catalysing change, the Company recognises the significance of leveraging technology to meet the needs of farmers and other essential stakeholders. By harnessing the power of technology, it endeavours to make a transformative impact on communities, enhancing their overall well-being and paving the path towards a more inclusive and promising future.

## Material Topics



Building  
Community  
Relations



Ensuring  
Farmers  
Satisfaction



Expanding  
Farmer  
Outreach

## SDGs Covered



₹ **7.54** Crores  
Total CSR Budget of 2022-23

**8** Million +  
Number of Farmers Reached

**6,300** +  
Farmer Meetings Conducted

**206,000** +  
Soil Samples Tested

**6,000** +  
Total Supplier Base









## FARMERS AT THE CORE

### FARMER MEETINGS

Organised in villages, these meetings, enthusiastically attended by farmers, are a regular feature in the Jai Kisaan Navratna marketing calendar. During these meetings, leading/progressive farmers are felicitated, and they are invited to share their success stories with fellow farmers. Soil test results and recommendations are presented to the farmers, and issues related to current crop cultivation and potential solutions are discussed. In the 2022-23 period, the Company conducted over 6,300 farmer meetings.



### CROP SEMINARS

To provide farmers with comprehensive solutions for specific crops, the Company meticulously organises crop seminars. These seminars, conducted in collaboration with Krishi Vigyan Kendras (KVKs) and Universities of Agri Sciences (UAS), aim to familiarise farmers with the Company's products and leverage the expertise of agricultural specialists. This ensures seamless coordination and knowledge exchange. In 2022-23, the Company conducted over 750 crop seminars.



### PRODUCT DEMONSTRATIONS

To promote balanced fertilisation, PPL has a robust programme for conducting product demonstrations in farmers' fields. Following the product demonstrations, the Company's officials make regular follow-up visits to the demonstration plots. The results of these demonstrations are showcased during the Field Day, which is organised after three months (or closer to harvest). In the 2022-23 period, the Company conducted over 3,600 product demonstrations.

### INTENSIVE FARMER CONNECT PROGRAMMES (IFCP)

Strategically organised during the Kharif and Rabi seasons, IFCP involves branded vans reaching targeted areas to connect with farmers and retailers. Regional teams engage in farmer meetings, distribute merchandising materials, and strategically place them at retail outlets and prominent village markets. In the year 2022-23, the Company organised over 3,700 campaigns as part of IFCP.



## ADVERTISEMENT

To highlight the synergistic benefits of its flagship product, Jai Kisaan Navratna 20:20:0:13, the Company creates compelling TVCs. These are strategically released on prominent TV channels in key N20 markets, effectively showcasing the advantages of the product to the target audience.

## SOCIAL MEDIA

Recognising the widespread smartphone usage among farmers, particularly the tech-savvy younger generation, the Company leverages social media platforms like Facebook and YouTube to reach its rural audience. Regular campaigns are conducted to disseminate brand messages. In 2022-23, the Company's digital campaigns during the Kharif and Rabi seasons successfully reached over 20 Million people through Facebook and garnered an impressive 16 Million views on YouTube.

## WALL PAINTING

During 2022-23, the Company successfully completed over 1.85 Lakhs sq ft of wall paintings.

## RETAILER MEETINGS

In 2022-23, the Company conducted more than 230 retailer meetings.

## SPECIAL EVENTS

- 'Jai Jawan Jai Kisaan' – a unique programme organised on Independence Day, during which ex-servicemen-farmers are felicitated.
- World Soil Day, organised on December 5<sup>th</sup>, 2022, to spread awareness about soil health.
- Jai Kisaan Diwas organised on December 23<sup>rd</sup>, 2022, in keeping with the Company's philosophy of 'Farmer First.'
- International Women's Day celebrated on March 8<sup>th</sup>, 2023, during which women farmers are felicitated.

### JAI KISAAN JAI JAWAN (15<sup>TH</sup> AUGUST 2022)

# 128

Events Organised

# 231

Ex-Servicemen-Farmers were Honoured and Felicitated

# 4,500+

Farmers Participated



### WORLD SOIL DAY (5<sup>TH</sup> DECEMBER 2022)

# 159

Programmes Organised

# 270+

Dealers/Farmers Participated

# 10,500+

Farmers Attended

# 795

Farmers Felicitated





## JAI KISAAN DIWAS (23<sup>RD</sup> DECEMBER 2022)

127

Programmes Organised

10,000+

Farmers Attended

95

Department Officials Participated

199

Retailers Participated

57

Dealers Participated

694

Farmers Felicitated for Outstanding Contributions



## ON INTERNATIONAL WOMEN'S DAY (8<sup>TH</sup> MARCH 2023)

94

Programmes Arranged

7,000

Women Farmers Participated

367

Progressive Women Farmers Honoured

128

Department Officials Participated

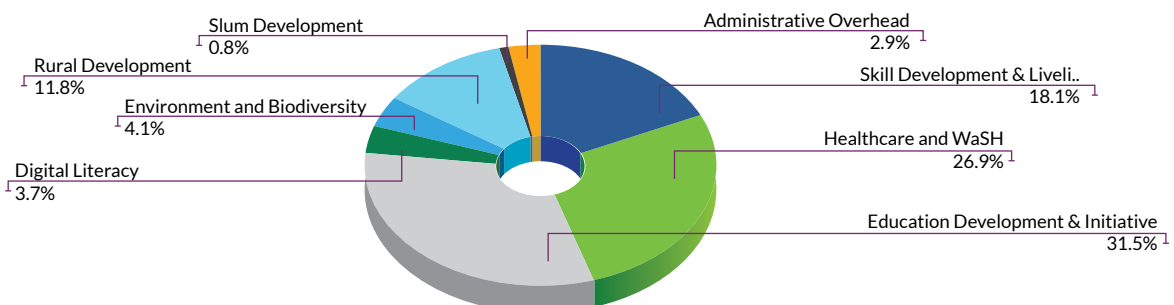


## CSR Activities

Over the years, the Company's CSR projects have evolved to address the needs of impoverished villages, beneficiaries, and urban slum areas in Paradeep and neighbouring locations in Goa. These are designed to comprehensively tackle key areas in four categories:



## PPL CSR Expenditure 2022-23





## WASH AND HEALTHCARE

PPL has embarked on several community-centric projects aimed at enhancing the well-being of the local population. To ensure access to clean drinking water, the Company has installed RO water plants and implemented a door-to-door pipe water supply programme, benefiting numerous families. In addition, it has initiated a comprehensive Holistic Village Development programme, focussing on key areas such as agriculture, allied activities, education, healthcare, and renewable energy, among others, with the aim of uplifting the living standards of the village. The establishment of a biodegradable sanitary napkin unit, community pond cleaning, and the promotion of sanitation and hygiene awareness have been instrumental in fostering a cleaner and healthier environment. PPL has also made significant investments in healthcare infrastructure, including an Ophthalmology OT and casualty centre, as well as a mobile health unit providing primary healthcare services. Furthermore, the Company has organised maternal and adolescent health camps and awareness sessions, contributing to the overall well-being of the community.

## EDUCATION

# 19

High Schools Developed in Jagatsinghpur District

# 15

Primary and Upper Primary Schools in Kujang Block Taken up as a Model School Programme

The Navratna Balygruha Initiative has successfully established **eight Anganwadi Centres** that comply with wash standards. These centres have been documented through a short film to promote policy advocacy and encourage the adoption of these models.

# 700

Students Benefiting through Computer Labs and Classroom Infrastructure in Four Schools

# 27

Meritorious Students from Economically Weaker Sections Provided with Scholarships for High School, and Engineering and Agriculture College in Goa

Through the Har Ghar Tiranga Programme, more than **5,000 Khadi-made flags** have been distributed to promote patriotism and raise awareness of India's rich independence history. These have been distributed in schools and among Commissionerate police personnel in Odisha.



## SKILL DEVELOPMENT AND LIVELIHOOD PROMOTION

To enhance livelihood security and incomes of small and marginal farmers, training and capacity building programmes were organised to promote sustainable agriculture practices and collectivise farmers into Farmer Producer Companies (FPCs). Solar-based irrigation systems were established to provide clean, renewable energy for irrigation. Animal husbandry was promoted through integrated goat rearing, improved shelter, timely vaccination. These interventions aimed to build skills, increase productivity, reduce costs, and provide sustainable livelihood opportunities.

## ENVIRONMENT

The Company has implemented various initiatives aimed at conserving and protecting the natural environment. One of the notable efforts includes the installation of solar panels and LED streetlights in different villages. These energy-efficient measures help to reduce the carbon footprint and promote sustainable living.

In addition, the Company has been actively involved in the restoration of community ponds and other water sources. These efforts are carried out in collaboration with the stakeholders and beneficiaries to ensure the sustainability of the ecosystem. The Company's approach towards environmental conservation ensures that the natural resources are conserved for future generations.

Overall, PPL's initiatives demonstrate its commitment towards promoting sustainable living and environmental conservation. They not only benefit the communities but also contribute to the larger goal of achieving a cleaner and greener planet.



**HUMAN CAPITAL**

# Nurturing the Human Capital through Effective Strategies

PPL's impressive growth is a testament to the unwavering dedication of its exceptional workforce. Their expertise and passion have played a crucial role in driving the Company's expansion and making a positive impact on the lives of Millions of farmers. The Company is committed to providing a supportive and secure environment where the PPL family can thrive and achieve their maximum potential.

**Material Topics**



Safety of Employees



Employee Satisfaction

**SDGs Covered**



**2,486**

Number of Employees and Workers

**28.67**

Average Training Hours per Employee

**6.77%**

Employees Turnover Rate









## OVERVIEW

Paradeep Phosphates is committed to providing its employees with an exceptional experience and fostering an environment where they can thrive and achieve success. As of 31<sup>st</sup> March 2023, the Company had a workforce of 1,476 permanent employees, with 583 located at PPL Goa and 893 at PPL Paradeep. Demonstrating the importance of building long-term relationships, over 85% of the workforce is above the age of 30. PPL prioritises nurturing these relationships and creating a supportive and engaging workplace for its employees. The Company's dedication to its workforce is evident in its efforts to provide a fulfilling journey for its employees, ensuring their growth and satisfaction.

## EMPLOYEE CENTRICITY

PPL prioritises the well-being and growth of its employees through a people-centric approach. The Company nurtures a collaborative culture and focusses on holistic development by regularly organising engagement initiatives. Touchpoints such as team reviews, goal-setting sessions, and town halls encourage teamwork and foster alignment within the organisation. The Company values feedback from its employees and provides multiple channels for them to express their opinions and measure their satisfaction. An annual employee satisfaction survey is conducted to gauge perceptions and identify areas for improvement. The Company has implemented a robust grievance redressal mechanism to promptly address critical matters and ensure a supportive and inclusive work environment.



## NURTURING TALENT

PPL places great importance on hiring and retaining employees who align with its mission and share its values of trust and excellence. The Company follows a comprehensive Recruitment Policy, employing a wide range of channels to attract top talent. In 2022-23, PPL successfully onboarded a significant number of permanent employees. Retention is a key focus for the Company, as it provides ample opportunities for career growth, offers industry benchmarked rewards, and implements Employee Stock Ownership Plans. The Company's low attrition rate stands as a testament to its commitment to ensuring employee satisfaction and creating a supportive and fulfilling work environment.





## CULTURE OF LEARNING AND DEVELOPMENT

PPL emphasises on continuous learning and development to cultivate high-performing teams and foster adaptability. The Company provides comprehensive training opportunities throughout the employee lifecycle, commencing with mandatory onboarding sessions that cover the Code of Conduct, values, and policies. A wide range of technical and behavioural training programmes are offered to support holistic development and facilitate career advancement. These address important topics such as anti-money laundering, sexual harassment prevention, and cybersecurity. Technical training is delivered through strategic partnerships or by internal teams, while leadership training is designed to enhance managerial skills. In addition to structured training, the Company actively encourages self-learning and personal growth, providing grants for higher education. This commitment to employee development is exemplified by employee nominations for prestigious leadership programmes at renowned institutions like Harvard University.



## EMPLOYEE WELL-BEING INITIATIVES

PPL conducts management-led town halls to foster open communication channels and address employee questions and concerns. These encourage transparency, accountability, and trust within the Company.

To promote employee engagement and recreational activities, PPL has established various clubs at the Paradeep Plant, including the Paradeep Phosphates Employees Recreation Club (PPEREC), Management Recreation Club (PPOC), PPL Ladies Club, and Mandir Committee. These offer opportunities for indoor games, such as billiards and table tennis, as well as access to the swimming pool and movie screenings. By participating in these clubs, employees can engage in team-building activities and strengthen interpersonal relationships. Similarly, at the Goa plant, Jai Kisaan Club, Management Club, and Jai Kisaan Ladies Club have been formed.



PPL actively organises safety campaigns and competitions, such as those during Road Safety Week, National Safety Week, Fire Safety Week, National Electrical Safety Week, and monthly safety themes. These initiatives aim to create awareness among employees regarding health and safety practices. Additionally, the Company celebrates all festivals to foster a work environment that embraces diversity and promotes unity among its employees.

# Governance

Paradeep Phosphates firmly believes in operating within a robust governance framework to ensure financial accountability, ethical business practices, and transparency.

4

Independent Directors on Board

100%

Employees Trained in Code of Conduct

## BOARD OF DIRECTORS



**Saroj Kumar Poddar**  
Chairman



**N. Suresh Krishnan**  
Managing Director & CEO



**Dipankar Chatterji**  
Independent Director



**Rita Menon**  
Independent Director



**Satyananda Mishra**  
Independent Director



**Soual Mohamed**  
Director



**Karim Lotfi Senhadji**  
Director



**Subhrakant Panda**  
Independent Director





**SENIOR MANAGEMENT****N. Suresh Krishnan**

Managing Director &amp; CEO

**Harshdeep Singh**

Chief Commercial Officer (CCO)

**Raj Kumar Gupta**

Chief Procurement Officer

**Pranab Kumar Bhattacharyya**Chief Manufacturing Officer & Unit  
Head, Paradeep Plant**Nilesh Dessai**Chief Manufacturing Officer  
& Unit Head, Goa Plant**Bijoy Kumar Biswal**

Chief Financial Officer (CFO)

**V. Vinay**

Chief Sustainability Officer

**Sachin Patil**

Company Secretary



## GOVERNANCE OVERVIEW

Paradeep Phosphates has taken proactive measures to ensure the effective implementation of its corporate governance framework. This includes the establishment of various committees, each with specific mandates. These committees maintain regular communication and provide timely updates to the management team, enabling vigilant monitoring and facilitating prompt decision-making. Such structured processes and channels of information contribute to the Company's commitment to upholding strong corporate governance practices.
















COMMITTEE NAME	MANDATE	BODS ASSOCIATED (During the Financial Year- 2022-23)
 <p><b>AUDIT</b></p>	<p>The Audit Committee safeguards the quality and credibility of accounting, auditing, and reporting practices at PPL. It ensures compliance with legal and regulatory requirements, while recommending auditors for appointment, re-appointment, replacement, and determining their remuneration and appointment terms. The Committee also evaluates internal financial controls, assesses the sufficiency of control systems, and oversees risk management.</p>	   <p>Marco Philippus Ardeshir Wadia*      Dipankar Chatterji#      Kiran Dhingra</p>   <p>Satyananda Mishra      Karim Lotfi Senhadji</p>
 <p><b>NOMINATION AND REMUNERATION</b></p>	<p>Paradeep Phosphates' Nomination and Remuneration Committee evaluates the compensation of Directors, KMPs, and senior management. It aims to strike a balance between fixed and incentive pay, aligning it with short and long-term performance objectives and the Company's goals. The Committee also oversees Employee Stock Option Plan(s) and provides advice to the Board on matters of diversity. Additionally, it evaluates the performance of Board members, ensuring accountability and effectiveness.</p>	  <p>Marco Philippus Ardeshir Wadia*      Satyananda Mishra#</p>   <p>Kiran Dhingra      Soual Mohamed</p>
 <p><b>RISK MANAGEMENT</b></p>	<p>The Risk Management Committee functions independently and assumes responsibility for efficient risk management at PPL. It focuses on identifying, predicting, and mitigating potential emerging risks. The Committee ensures the utilisation of appropriate methodologies, processes, and systems to monitor and evaluate risks associated with its operations. Moreover, it oversees the implementation of the risk management policy and conducts periodic reviews to ensure its ongoing effectiveness.</p>	   <p>N. Suresh Krishnan      Dipankar Chatterji      Karim Lotfi Senhadji</p>

**Audit Committee** | \*upto 18<sup>th</sup> September 2022  
#w.e.f. 6<sup>th</sup> October 2022

**Nomination and Remuneration Committee** | \*upto 18<sup>th</sup> September 2022  
#w.e.f. 19<sup>th</sup> September 2022





COMMITTEE NAME	MANDATE	BODS ASSOCIATED (During the Financial Year- 2022-23)
 <p><b>FINANCE</b></p>	<p>The Finance Committee advises the Board on budgeting and financial planning. It reviews financing proposals, exercises borrowing powers within Board-approved limits, and facilitates cost-effective refinancing. It secures short and long-term funds for operational, corporate, and capital needs, aligned with approved limits.</p>	 <p>N. Suresh Krishnan</p>  <p>Kiran Dhingra</p>  <p>Karim Lotfi Senhadji</p>
 <p><b>CORPORATE SOCIAL RESPONSIBILITY</b></p>	<p>The Corporate Social Responsibility (CSR) Committee formulates policies in accordance with CSR laws and aligns them with the Board's agreement. It oversees the management of the CSR department or team, including programme development, expenditure review, implementation, and timely completion. The Committee ensures regular updates to the Board regarding the progress and impact of CSR initiatives.</p>	 <p>Marco Philippus Ardeshir Wadia*</p>  <p>Kiran Dhingra#</p>  <p>N. Suresh Krishnan</p>  <p>Karim Lotfi Senhadji§</p>
 <p><b>STAKEHOLDER RELATIONSHIP</b></p>	<p>The Stakeholder Relationship Committee at PPL ensures the protection of stakeholder rights and interests, while maintaining transparency. It safeguards the trust and confidence of stakeholders in the Company and addresses the interests of shareholders, debenture holders, and other security holders. The Committee strives to effectively resolve any grievances that may arise.</p>	 <p>N. Suresh Krishnan</p>  <p>Kiran Dhingra</p>  <p>Satyananda Mishra</p>
 <p><b>ESG STEERING</b></p>	<p>The ESG Steering Committee plays a pivotal role in PPL's ESG (Environmental, Social, and Governance) initiatives. Their responsibilities encompass various aspects including setting a comprehensive strategy for ESG, devising and executing initiatives and policies aligned with the strategy, and ensuring diligent monitoring of their implementation. The Committee also oversees effective communication channels with employees, investors, and stakeholders regarding ESG matters. Furthermore, they continuously monitor and evaluate ESG developments, aiming to enhance PPL's understanding and engagement with ESG principles. Lastly, the Committee appraises the Company's performance and provides updates to the Promoters, Investors, and Board of Directors on ESG-related matters, thereby fostering transparency and accountability.</p>	 <p>N. Suresh Krishnan</p>

**CSR Committee** | \*upto 18<sup>th</sup> September 2022  
 #Chairperson w.e.f.19<sup>th</sup> September 2022  
 § w.e.f.19<sup>th</sup> September 2022





## ESG GOVERNANCE

PPL is deeply committed to upholding responsible business practices and places a strong emphasis on their Environmental, Social, and Governance (ESG) approach. The Company recognises the significance of creating long-term value for all stakeholders, while prioritising sustainable strategies that yield positive outcomes for the community and the environment. To ensure the seamless integration of ESG principles across the Company, PPL has established an ESG Committee. Led by the Managing Director, this committee comprises experienced members representing key business functions, bringing diverse perspectives to effectively manage ESG matters. With a clear mandate, the ESG Committee is responsible for overseeing and monitoring the implementation of strategies and processes, ensuring that PPL's operations align with its ESG objectives.

## BUSINESS ETHICS

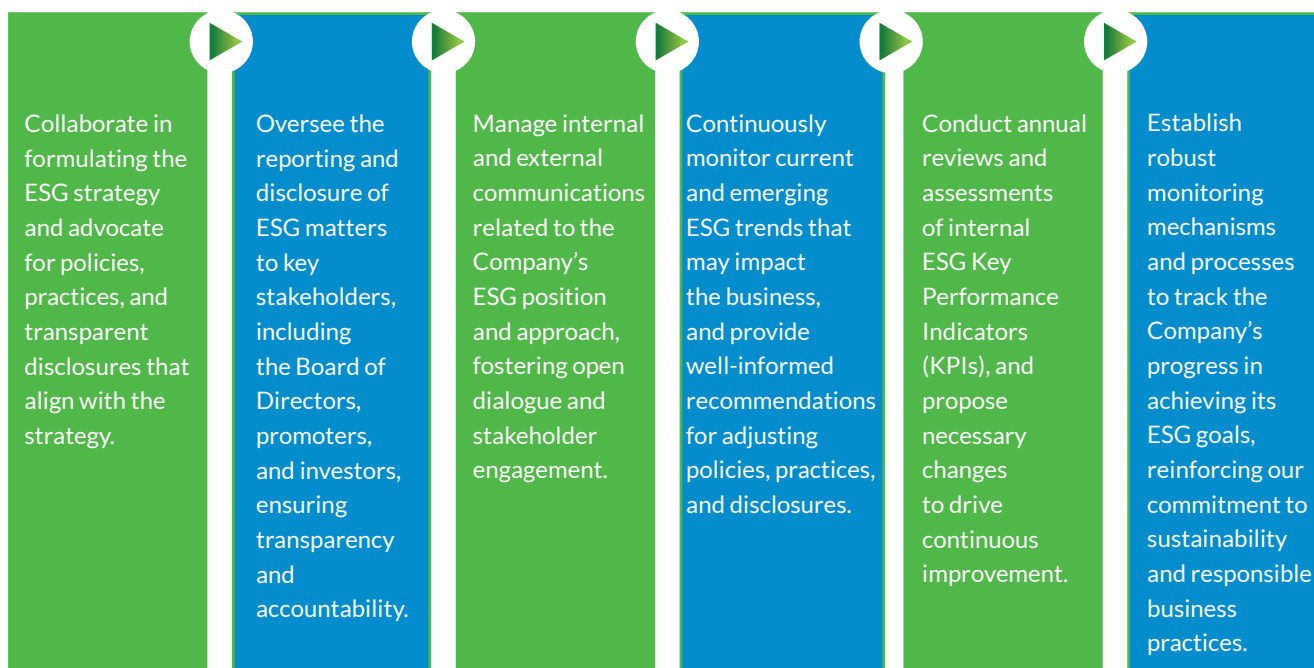
Paradeep Phosphates has established a governance framework firmly grounded in trust, ethics, and accountability, emphasising transparency and responsibility towards all stakeholders. This framework is reinforced by the implementation of rigorous internal controls and systems that offer clear direction for executing processes and operational strategies. Within

this framework, the Company's ESG approach is bolstered, further enhancing its commitment to responsible and sustainable business practices. PPL has also developed a suite of policies aligned with ESG principles to strengthen governance practices and demonstrate its dedication to responsible business conduct.

POLICY	GUIDELINES
Code of Conduct	The Company's Code of Conduct establishes explicit guidelines and expectations for all employees regarding ethical standards and business practices. It is intricately connected to the organisation's fundamental values and serves as a comprehensive manual to ensure the highest levels of ethical conduct. Furthermore, the Code of Conduct outlines robust channels for addressing grievances, prioritising the protection of employees, and facilitating the resolution of any instances of non-compliance.
Board Diversity Policy	The Company values a diverse Board of Directors for effective governance. A formal Board Diversity policy has been implemented, considering factors like culture, gender, age, regional background, industry experience, talent, and knowledge when selecting Board members. This commitment promotes a representative and experienced Board, fostering inclusivity and enhancing decision-making processes.
Whistle-Blower Policy	A formal reporting mechanism is available to all employees, including permanent, probationary, trainee, and temporary staff, to report any instances of actual or suspected violations of the Code of Conduct or unethical behaviour. This ensures that employees have a structured process to raise concerns and maintain a culture of integrity and ethics within the organisation.



## Key Roles and Responsibilities of ESG Steering Committee



POLICY	GUIDELINES
<p><b>Corporate Social Responsibility (CSR)</b></p>	<p>The Company's CSR policy underscores its dedication to social responsibility and community development. Emphasising the importance of local communities as key stakeholders, the Company implements CSR projects in accordance with the provisions of Section 135 of the Companies Act, 2013. By adhering to its CSR policy, the Company aims to make a positive and sustainable impact on society. The projects are carefully planned and executed to address social and environmental challenges and contribute to the overall well-being of the communities it operates in.</p>
<p><b>Prevention of Sexual Harassment Policy</b></p>	<p>To establish a safe and inclusive work environment, the Company has implemented a comprehensive Prevention of Sexual Harassment Policy. This policy takes a strong stance of zero tolerance towards any form of workplace harassment. Its primary objective is to foster a secure and supportive atmosphere that is free from all types of harassment. By promoting a work environment where all employees feel respected and protected, the policy aims to enhance women's participation in the workforce, leading to their economic empowerment and contributing to inclusive growth. The Company is committed to upholding this policy and ensuring the well-being and dignity of all employees.</p>
<p><b>Integrated Management System Policy</b></p>	<p>The Company has implemented an Integrated Management System (IMS) policy as part of its commitment to enhance operational efficiency and effectiveness. This encompasses a comprehensive approach to aligning processes with the procedures of the International Fertiliser Association's (IFA) Protect &amp; Sustain (P&amp;S) initiative. By adhering to these guidelines, the Company aims to minimise the negative impact of its products and activities on the environment, preserve ecological balance, and safeguard biodiversity in and around its operations. This proactive approach demonstrates the organisation's dedication to sustainable practices and environmental stewardship.</p>





# Awards and Accolades

## Industry Recognition



CIDC Vishwakarma Award  
Best Professionally  
Managed Company



Accolades by CII for  
Energy Conservation  
Initiatives

## Awards



CSR Golden Peacock  
Award 2022



Excellence Award by  
Odisha CSR Forum  
2022

## Make in Odisha Conclave November 2022



Exceed Award 2022  
on OSH in  
Platinum Category,  
Goa



PAP Best  
Performance Award,  
FAI 2022



# Corporate Information

## BOARD OF DIRECTORS

**Mr. Saroj Kumar Poddar**

Chairman

**Mr. N. Suresh Krishnan**

Managing Director

**Ms. Kiran Dhingra**

Independent Director up to 26<sup>th</sup> July, 2023

**Mr. Marco Philippos Ardeshir Wadia**

Independent Director up to 18<sup>th</sup> September, 2022

**Mr. Soual Mohamed**

Director

**Mr. Karim Lot i Senhadji**

Director

**Mr. Satyananda Mishra**

Independent Director

**Mr. Dipankar Chatterji**

Independent Director

**Mr. Subhrakant Panda**

Independent Director

**Mrs. Rita Menon**

Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Sachin Patil**

## CORPORATE IDENTIFICATION NUMBER

L24129OR1981PLC001020

## SENIOR EXECUTIVES

**Mr. Harshdeep Singh**

Chief Commercial Officer

**Mr. Raj Kumar Gupta**

Chief Procurement Officer

**Mr. Pranab Kumar Bhattacharyya**

Chief Manufacturing Officer & Unit Head, Paradeep Plant

**Mr. Nilesh Dessai**

Chief Manufacturing Officer & Unit Head, Goa Plant

**Mr. V. Vinay**

Chief Sustainability Officer

## CHIEF FINANCIAL OFFICER

**Mr. Bijoy Kumar Biswal**

## AUDITORS

**M/s. BSR & Co. LLP**

Chartered Accountants

Godrej Waterside, Unit No. 603, 6<sup>th</sup> Floor, Tower 1,  
Sector V, Salt Lake, Kolkata - 700091, West Bengal, India

## BANKERS

State Bank of India

Canara Bank

Punjab National Bank

HDFC Bank Limited

ICICI Bank Limited

Axis Bank Limited

DBS Bank India Limited

Bank of India

Indian Bank

## REGISTERED OFFICE

5<sup>th</sup> Floor, Bayan Bhavan, Pandit Jawaharlal Nehru Marg,  
baneswar - 751001, Odisha, India

## CORPORATE OFFICE

3<sup>rd</sup> Floor, Adventz Centre, 28, Union Street,  
Off Cubbon Road, Bengaluru - 560001, Karnataka, India

## PLANT SITE

**Paradeep Unit**

PPL Township, Paradeep - 754145,

Dist - Jagatsinghpur, Odisha

**Goa Unit**

Jai Kisaan Bhawan, Zuarinagar - 403726, Goa

## REGISTRARS & SHARE TRANSFER AGENTS

**Link Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, 247, Lal Bahadur Shastri Marg, Vikhroli  
(West), Mumbai - 400083, Maharashtra, India

Tel: +91 22 4918 6200

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: <https://www.linkintime.co.in/>



# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT





## SECTION A: GENERAL DISCLOSURES

## I. Details of the listed entity

1. Corporate Identity Number (CIN) of Listed Entity	L24129OR1981PLC001020
2. Name of the Listed Entity	PARADEEP PHOSPHATES LIMITED
3. Year of Incorporation	1981
4. Registered office address	5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar - 751 001
5. Corporate Address	3rd Floor, No. 28, Union Street, Off-Cubbon Road, Bengaluru - 560 001
6. E-mail	cs.ppl@adventz.com
7. Telephone	080-46812536
8. Website	www.paradeepphosphates.com
9. Financial year for which reporting is being done	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
10. Name of the Stock Exchange(s) where shares are listed	(i) BSE Limited (ii) National Stock Exchange of India Limited
11. Paid-up Share Capital	₹ 81,44,97,61,90
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	Mr. Susnato Lahiri Telephone : 080 46812500 Email : susnato.lahiri@adventz.com
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 entities which form a part of its consolidated financial statements, taken together)	The disclosure under this BRSR is on a standalone basis, unless otherwise stated.



## II. Products/services

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

Description of Main Activity	Description of Business Activity	% of Turnover of the entity
Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	100%

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

Product/Service	NIC Code	% of total Turnover contributed
Manufacture of urea and complex fertilisers	20121, 20122	100%

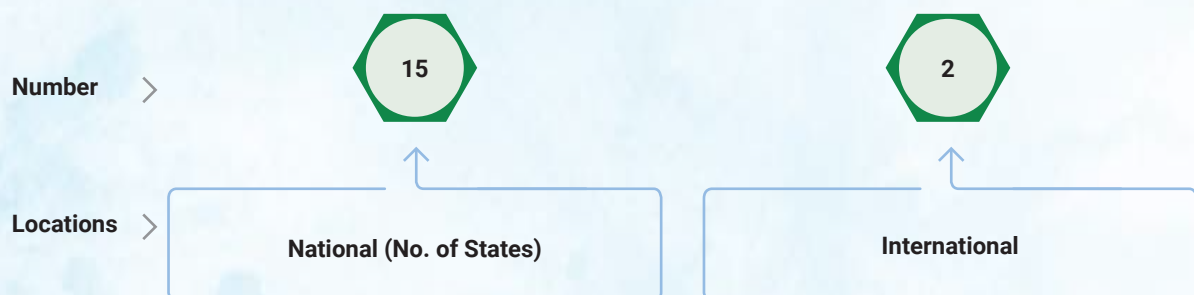
## III. Operations

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

	Number of Plants	Number of Offices	Total
National	2	21	23
International	NA	NA	NA

### 17. Market served by the entity

#### a. Number of locations



**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

0.06%

**c. A brief on types of customers**

Paradeep Phosphates Limited caters to a wide array of customers, ranging from agricultural retailers and distributors to farmers, cooperatives, Government agencies, research institutions and potentially even international markets. With farmers as our primary customer base, we recognise the importance of ensuring that our products cater to their needs and address on-the-ground challenges. Our products have positively impacted the lives of over 8 Million farmers.

**IV. Employees****18. Details as at the end of Financial Year****a. Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (B)	% (B/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1,476	1,412	95	64	5
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total Employees (D+E)</b>	<b>1,476</b>	<b>1,412</b>	<b>95</b>	<b>64</b>	<b>5</b>
<b>WORKERS*</b>						
1.	Permanent (F)	1,010	992	98	18	2
2.	Other than Permanent (G)	-	-	-	-	-
3.	<b>Total Employees (F+G)</b>	<b>1,010</b>	<b>992</b>	<b>98</b>	<b>18</b>	<b>2</b>


\* refers to contractual workforce

**b. Differently abled Employees and workers**

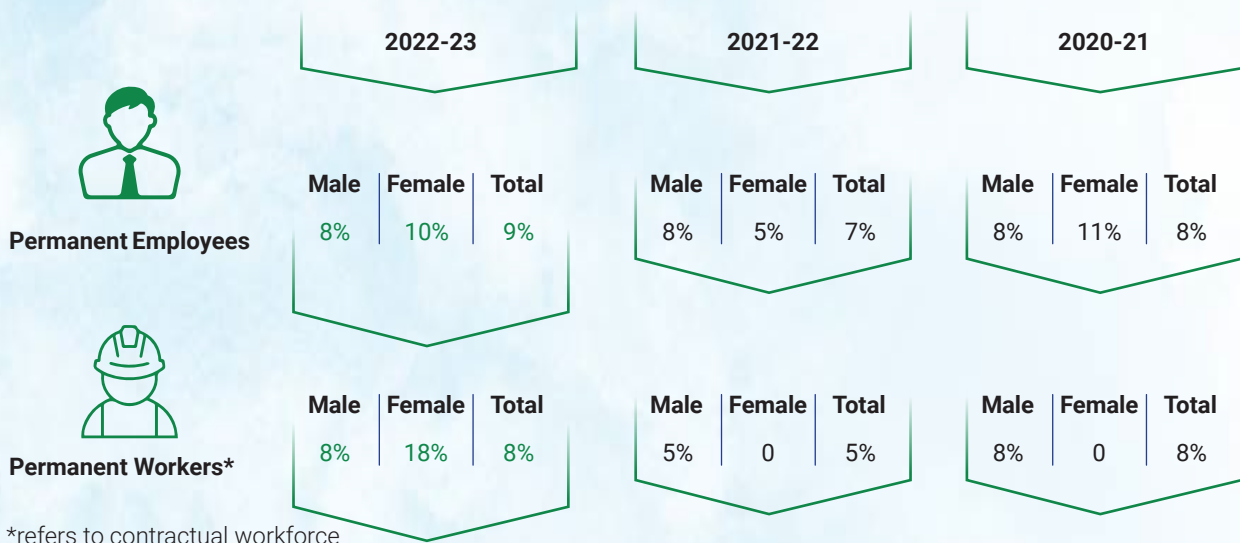
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (B)	% (B/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)					
2.	Other than Permanent (E)			Nil		
3.	<b>Total differently abled employees (D+E)</b>					
<b>DIFFERENTLY ABLED WORKERS</b>						
1.	Permanent (F)					
2.	Other than Permanent (G)			Nil		
3.	<b>Total differently abled workers (F+G)</b>					



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

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5
Key Management Personnel	3	0	0

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



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

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

Name of the holding/ subsidiary / associate companies / Joint ventures (A)	Indicate 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
Zuari Marco Phosphates Private Limited	Holding	56.10%	No
Zuari Yoma Agri Solutions Limited	Joint Venture	50%	No





## VI. CSR Details

22.

(i)	Whether CSR is applicable as per Section 135 of Companies Act, 2013	Yes
(ii)	Turnover (in ₹)	₹ 13,340.72 Crores
(iii)	Net worth (in ₹)	₹ 3,505.21 Crores

## 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) ( If yes, then provide web-link for grievance redress policy)*	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investor (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	2	0	NA	0	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers/ Consumers	Yes	0	0	NA	0	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Others (please specify)	Yes	0	0	NA	0	0	NA

**\*Note:**

Details related to grievance redressal mechanism is covered in the Company's code of conduct and PoSH policy (<https://www.paradeepphosphates.com/investors/corporate-governance>).

For shareholders, the redressal mechanism is available at: <https://www.paradeepphosphates.com/investors/corporate-governance#investor-address>



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



Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

 Risk  Opportunity



S. No.	Material issue identified	Indicate whether risk or opportunity	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	Occupational health and Safety	Risk 	As a responsible employer, we have a responsibility to ensure our workplace is safe and healthy, with no accidents or illnesses. In addition, poor occupational health and safety (OHS) performance results in a direct negative impact on labour costs through decrease in productivity.	In order to mitigate the risk, Paradeep implements robust procedures such as both Goa and Paradeep plants are ISO 45001 certified (Occupational Health and Safety Management Systems). Various safety oriented SOPs have been formulated and its strict implementation is strongly monitored. Regular health and safety training is organised. Additional initiatives included preparing for HIRA. Conducting Hazop study and process safety audit including observation by external agency and CICG inspection by Govt. of Odisha are also carried out.	<b>Negative:</b> Any workplace incidents, especially those resulting in injuries or harm to the workforce, can adversely impact the Company's reputation. Negative publicity and public perception can lead to customer distrust, loss of business opportunities, and difficulties in attracting and retaining skilled employees.
2	Chemical Safety	Risk 	Due to the nature of the operations, the Company is heavily involved in the production or handling of chemicals, particularly phosphates and ammonia. These chemicals can be hazardous if not handled and managed properly, posing various risks to both employees and the surrounding environment.	Paradeep has taken various initiatives to reduce harmful impact of hazardous chemicals: - Various SOPs and safety manuals have been formulated specifying clear instructions on safe handling of the chemicals. - Periodic meetings, training and discussions are undertaken to enable employees to proactively identify hazardous conditions and unsafe practices. - Regular internal and third party audits are conducted and results are shared with the senior management - Adequate PPEs are provided to ensure safety in storage, handling and transportation of chemicals.	<b>Negative:</b> Any incidents related to chemical safety can negatively impact the Company's reputation among stakeholders, customers, and investors. Major accidents or environmental incidents could disrupt operations, leading to production delays or shutdowns, affecting the Company's financial performance.






S. No.	Material issue identified	Indicate whether risk or opportunity	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)
3	Business Ethics	Opportunity 	Good governance helps standardise a company's systems & processes. To ensure ethical conduct across the organisation, various governance oriented policies such as code of conduct, whistleblower policy, PoSH policy, etc. have been formulated. Defined roles and responsibilities of senior management ensure strict implementation and proper review of issues/concerns,	Paradeep Phosphate's Code of Business Conduct and Ethics provides its commitment against aspects such as bribery, gifts, insider trading, harassment, etc. It also mentions the escalation mechanism if an individual wants to raise a concern/complaint.  The Company has formulated an ESG Steering Committee to support its commitment towards environment, corporate social responsibility and corporate governance.	<b>Positive:</b> Good corporate governance systems ensure that a company is managed in the interests of shareholders (including minority shareholders).
4	Environmental management	Risk 	Paradeep Phosphate's commitment towards protecting the natural environment and conserving resources has been embedded in our value system. Upholding these principles and complying with applicable regulatory requirements can affect the overall performance and enhance the Company's image with the stakeholders.	The Company's manufacturing plants are ISO 14001 certified (Environmental Management Systems).  In the PAT Cycle-1, energy saving targets were achieved.  In the PAT Cycle-2, PPL is entitled to purchase 1,926 no of escerts which are purchased from the energy exchange platform.  Regular third party energy audits are conducted and regular monitoring of the energy efficiency of our equipment and processes are done to identify key areas of improvement.  Compliance with state and central pollution control boards requirements are adhered to at all times.	<b>Negative:</b> In case of any non-compliance with environmental norms and regulations, Paradeep Phosphates can face reputational damage as well as adverse financial repercussions.



S. No.	Material issue identified	Indicate whether risk or opportunity	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)
5	Inclusion and Diversity	Opportunity 	A diverse workforce brings together individuals with different backgrounds, perspectives, and experiences. This diversity of thought fosters creativity and innovation within the Company. When employees from diverse backgrounds collaborate, they can generate a wider range of ideas and solutions, leading to improved problem-solving and a competitive edge in the market.	For strong governance, the Company has a Board Diversity policy in place.  Focus on the right talent for the right role during hiring and recruitment, irrespective of individual's gender, religion, and region.	<b>Positive:</b> Inclusive and diverse workplaces increase employee morale and job satisfaction. When employees feel valued and respected for their individuality, they are more likely to be engaged and committed to their work. This positive work environment leads to increased productivity and overall better performance.
6	Responsible Supply Chain	Risk 	As a phosphates manufacturer, Paradeep Phosphates Limited relies on a steady and reliable supply of raw materials. An efficient supply chain ensures that the Company can access the necessary inputs to maintain uninterrupted production and meet customer demands.	To mitigate risk, the Company has taken various initiatives:  - Shift to supply of Molten Sulphur from IOCL to reduce overall carbon footprints of the supply chain.  - Established a vendor evaluation system for onboarding a new supplier wherein suppliers are required to go through a screening process that includes various ESG criteria such as EHS compliance, safe work practices, etc.  - To ensure continuous supply, we have maintained critical vendor partnerships and created alternative domestic sources.	<b>Negative:</b> A diversified supply chain can help withstand unexpected disruptions, such as natural disasters, geopolitical issues, or supplier-related problems. Having alternative suppliers or contingency plans in place ensures continuity of operations during challenging times.



S. No.	Material issue identified	Indicate whether risk or opportunity	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)
7	Community Relations	Opportunity 	Maintaining positive relationships with the local community is crucial for obtaining and retaining the social license to operate. When the Company has the support and trust of the community, and it is more likely to gain approval for its operations and expansion plans, reducing the risk of facing opposition or protests.	The Company's CSR policy provides the overall framework to our approach to community relations and development. Thrust areas of PPL's community development framework include Livelihoods, Education, Health (WaSH- Water, Sanitation and Hygiene), and Environment.	<b>Positive:</b> Positive community relations contribute to a favourable reputation and brand image for Paradeep Phosphates Limited. Being viewed as a responsible and engaged corporate citizen enhances the Company's standing among consumers, investors, and other stakeholders.





## 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 National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

P1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

P2

Businesses should provide goods and services in a manner that is sustainable and safe

P3

Businesses should respect and promote the well-being of all employees, including those in their value chains

P4

Businesses should respect the interests of and be responsive to all its stakeholders

P5

Businesses should respect and promote human rights

P6

Businesses should respect and make efforts to protect and restore the environment

P7

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8

Businesses should promote inclusive growth and equitable development

P9

Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>										
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
1.b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.c.	Web Link of the Policies, if available	Details of the company's policies can be found on its website: <a href="https://www.paradeepphosphates.com/investors/corporate-governance">https://www.paradeepphosphates.com/investors/corporate-governance</a>								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
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>- Environment Management Systems (ISO 14001)</li> <li>- Occupational Health and Safety Management Systems (ISO 45001)</li> <li>- Information Security Management Systems ISO 27001:2013</li> <li>- Global Reporting Initiative Standards</li> <li>- Good Manufacturing Practice (GMP) Compliant Facilities</li> <li>- Protect and Sustain International Fertiliser Association (IFA)</li> </ul>								
5.	Specific commitments, goals, and targets set by the entity with defined timelines, if any.	To adhere to the policies covering each principle and its core elements of the NGRBC.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Overall, the Company's performance is in line with its commitments.								
<b>Governance, leadership, and oversight</b>										
7.	As a leading player in the fertiliser industry in India, Paradeep Phosphates Limited is committed to creating a food-secure nation through innovative and affordable solutions for farmers. By adopting a purpose-led approach, guided by the core values of sustainability, agility, integrity and customer-first, we manage our Environment, Social, and Governance (ESG) impacts. Our approach is designed to create value for our stakeholders and drive excellence beyond profitable growth. As a responsible corporate citizen, we recognise the need to realign our business strategies and priorities to address emerging challenges and risks such as the COVID-19 pandemic. In alignment with this, Paradeep Phosphates in FY 23 has captured the highlights of ESG in BRSR report and is in the process of publishing its second sustainability report guided by the principles of International Integrated Reporting Council's (IIRC) Integrated Reporting Framework, Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (SDGs). The sustainability reports capture the material topics, the achievements in each aspect of environment, social and governance and the concomitant impact. As a practice, the company proactively strives to innovate sustainably across its entire value chain including utilizing green energy.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	Mr. N Suresh Krishnan, Managing Director.								
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.	<p>Yes. The Company has formulated an ESG Steering Committee to manage sustainability related issues at the organisation.</p> <p>For more information related to objectives, duties and responsibilities please visit: <a href="https://www.paradeepphosphates.com/uploads/content/ppl-esg-steering-committee-charter-09022023.pdf">https://www.paradeepphosphates.com/uploads/content/ppl-esg-steering-committee-charter-09022023.pdf</a></p>								



**10. Details of Review of NGRBC by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually / Half yearly/ Quarterly / Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads / Director /board committees / board members, wherever applicable.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Board assesses the report on Business Responsibility on an annual basis.  The Company is in compliance with the extant regulations, as applicable.																	

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.**

P	P	P	P	P	P	P	P	P
1	2	3	4	5	6	7	8	9
The Company's policies are not audited/evaluated by external agencies. However, as a good corporate practice, the policies are reviewed by various committees of the Board of Directors and the Board of Director reviews, amends the policies on periodical basis to incorporate statutory and business requirements.								

**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	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)	All Principles are covered by required policy /policies.								
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

**PRINCIPLE** → 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.

## ESSENTIAL INDICATORS

## 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	% age of persons in respective category covered by the awareness programmes
<b>Board of Directors</b>		The Company provides a detailed review of the business operations of the Company on a quarterly basis and also provides updates on various Government policies, ESG matters, and safety-related issues/concerns. These topics provide awareness on the given Principles.	
<b>Key Managerial Personnel</b>	2	The topics cover the Company's overall business growth, performance in ESG and sustainability, corporate governance practices, employee well-being, innovation and R&D.	100%
<b>Employees other than Board of Directors and KMPs</b>	122	Human right & policy, integrated management system (IMS), energy conservation, biomedical waste, safety & security, and skill development	100%
<b>Workers</b>	101	Human right & policy, integrated management system (IMS), energy conservation, biomedical waste, safety & security, and skill development	98%

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):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement, compounding fees			Nil		

Non-Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial Institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment			Nil	

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

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	NA

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, the Company's commitment towards anti-bribery and corruption is embedded in its code of conduct and is applicable to Directors and employees. Bribe is the offer of something of value with the intent to influence an official act of a customer, supplier, Government official or international agency. The Company strongly prohibits improper payments directly or indirectly in all its dealings with customers, Government officials and any other national or international agencies. It can be accessed at:

<https://www.paradeepphosphates.com/uploads/content/codeofbusinessconductandethicsnew1677899628.pdf>



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

	2022-23	2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	2022-23		2021-22	
	Number	Remarks	Number	Remarks
KMPs	Nil	NA	Nil	NA
Workers	Nil	NA	Nil	NA

**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 conflict of interest.**

– Not Applicable

## LEADERSHIP INDICATORS

**1. Awareness programmes conducted for value chain partners on any of the Principles during the FY 2022-23:**

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	NA	NA

**2. Does the entity have processes in place to avoid/manage conflict of interest involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company has a Code of Conduct (CoC) that deals with conflict of interest. This applies to all employees, including the Board of Directors. A 'conflict of interest' exists when personal interest interferes in any way with the interests of the Company. As a general expectation, Directors/ Employees should avoid actual or apparent conflicts of interest between their personal and professional relationships. If there's a possible conflict of interest, individuals are required to openly disclose all the relevant information and seek guidance from his/her immediate superior and/ or the Chairman of the Audit Committee. After that, the Company may take necessary actions to ensure there's no conflict of interest.



**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.**

	2022-23	2021-22	Details of improvements in environmental and social impacts
Research & Development (R&D)	100%	100%	For details on environmental and social benefits driven by the Company, please refer to chapters - (Human Capital), (Intellectual Capital) and (Natural Capital) of the integrated report.
Capex	25%	-	

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

We are in the process of developing a standardised framework for sustainable sourcing.

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

Not available.

- 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.**

- a) Plastics (including packaging)**

PPL handles all plastic waste in accordance with the Plastic Waste Management Rules, 2016, and any subsequent amendments. Pre-consumer plastic waste generated within the factory premises, such as incoming raw materials packaging and waste bags produced during the packing of fertilisers, is collected and stored in designated yards/ bins specifically allocated for plastic waste. Subsequently, the Company collaborates with an authorised recycler approved by the Goa State Pollution Control Board to manage the proper disposal of the collected plastic waste. Additionally, for packaging products, PPL has implemented Extended Producer Responsibility (EPR) compliance in accordance with Plastic Waste Management Rules 2016.

- b) E-Waste**

PPL handles all e-waste as per the E-waste Management Rules, 2016. To ensure proper management, a separate shed is maintained for the storage of all e-waste. All the E-waste generated is sold to dismantlers/recyclers authorised by Goa State Pollution Control Board only. Further, records are maintained in line with the E-Waste Management Rules, 2016. Annual returns in Form 3 are submitted to the Goa State Pollution Control Board on an annual basis.



**c) Acid Batteries**

Paradeep Phosphates Limited (PPL) has a buyback of used battery policy with the vendor for lead acid batteries.

**d) Hazardous waste**

The hazardous waste generated from various plant areas is received by stores in closed MS drums/barrels. These drums are neatly stored in the corresponding demarcated area within the Hazardous waste shed. Hazardous waste labels, as per Form 8 of Hazardous Waste Management Rule 2016, are pasted onto the drums/containers to be disposed of. Regarding chemical sludge generated from the effluent recycle plant, the sludge is dried in sludge drying beds and then completely recycled to NPK-A & NPK-B plants. The Management of Hazardous Waste follows a Standard Operating Procedure (SOP).

**e) Other waste**

It includes waste such as metal scrap, waste activated carbon, rubber scrap, etc.

All solid wastes generated are segregated into separate bins. Bio-degradable wastes is collected in green colour bin, non-bio-degradable waste is collected in blue colour bin and wasted containing oil is collected in gray colour bin.

Non-bio-degradable waste generated at PPL is sent to Goa Waste Management Corporation Limited, Goa, for co-processing/recycling/ disposal.

Bio-degradable waste generated from canteens, offices and households in the township is sent to the vermicomposting unit at PPL premises, which in turn produce organic manure (bio fertiliser).

**Construction debris:** It is used along with backfilling material for structure / building foundation, and road making.

**Sand from filters:** Used along with backfilling material for structure / building foundation, road making etc.

**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 no address the same.**

Yes, EPR is applicable to PPL's activities as per Plastic Waste Management Rules, 2016.

- We strictly adhere to all relevant environmental regulations and guidelines regarding the handling and disposal of plastics and packaging. As per the Plastic Waste Management Rules 2016, Paradeep Phosphates Limited is registered with Central Pollution Control Board (CPCB) as a Brand Owner under Extended Producer Responsibility (EPR) for disposal of plastic waste generated due to PPL's products.
- The Company has been making all efforts to reduce end-user plastic waste and setting an example for other companies.
- The Company is closely working with GEM Enviro Management Private Limited which is a Waste Management Agency (WMA) that specialises in collection and aggregation of all kinds of packaging waste in a professional and organised manner backed by technology on PAN India basis.
- The Company is collaborating with GEM not only to fulfil its EPR (Extended Producer Responsibility) compliances as stipulated under the PWM Rule 2016, amended in 2018 but also to take the lead and set an example towards managing post-consumer plastic waste.
- Under our EPR activity, the Company, in 2022-23 has diverted approximately 1,440 tonnes of post-consumer plastic waste from landfills to recycle, and contribute towards a greener and cleaner environment.





**LEADERSHIP INDICATORS**

**1. Has the entity conducted Life Cycle Perspective/Assessment (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? (Yes/No). If yes, provide details in the following format?**

No life cycle assessment was conducted for any of our products during the reporting period.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessment (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

No life cycle assessment was conducted during the reporting period.

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)**

Indicate input material	Recycled or reused input material to total material	
	2022-23	2021-22
Phosphogypsum for Zypmite production	1.01%	0.93%

**4. Of the products and packaging reclaimed at end of life of products, amount (in Metric Tonnes (MT)) reused, recycled, and safely disposed, as per the following format:**

Not applicable

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable





**PRINCIPLE → 3** Businesses should respect and promote the well-being of all employees, including those in their value chain.

### ESSENTIAL INDICATORS

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	1,412	882	62%	1412	100%	NA	NA	538	100%	NA	NA
Female	64	42	65%	64	100%	64	100%	NA	NA	47	73%
Total	1,476	924	62%	1476	100%	64	4%	538	36%	47	3.18%
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	616	616	100	616	100	616	100	616	100	616	100
Female	4	4	100	4	100	4	100	4	100	4	100
Total	620	620	100	620	100	620	100	620	100	620	100
Other than Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-



## 2. Details of retirement benefits

	PF	Gratuity	ESI	Others – please specify		
2022-23	No. of employees covered as a % of total employees	100%	100%	7%	100%	No. of employees covered as a % of total employees
		100%	100%	8%	100%	
2021-22	No. of workers covered as a % of total workers	100%	100%	Nil	100%	No. of workers covered as a % of total workers
		100%	100%	Nil	100%	
2022-23	Deducted and deposited with the authority (Y/N/N.A.)	Y	Y	Y	Y	Deducted and deposited with the authority (Y/N/N.A.)
		Y	Y	Y	Y	
2021-22						

## 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. - Yes/No

Yes

## 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. - Yes/No

Yes.







The Company has a Code of Conduct which covers equal opportunity for all employees and the same can be accessed at:

<https://www.paradeepphosphates.com/uploads/content/codeofbusinessconductandethicsnew1677899628.pdf>





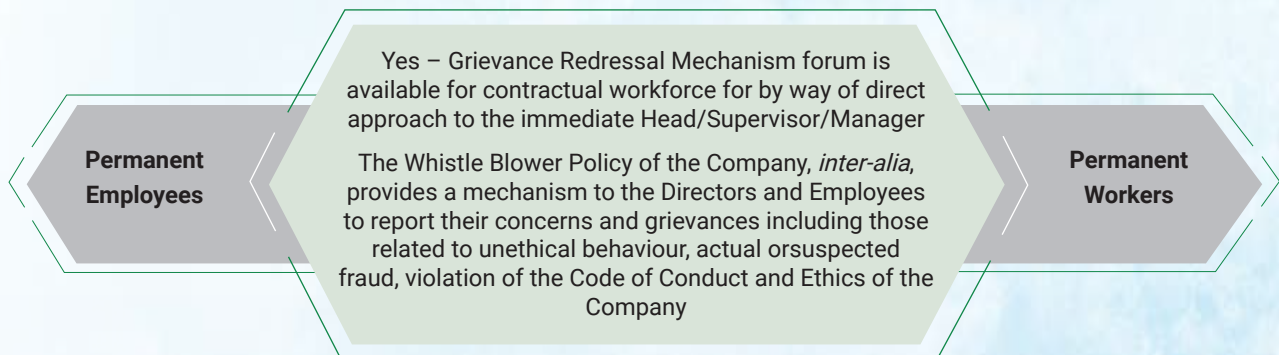
## 5. Return to work & Retention rates of permanent employees and workers that took parental leave.

Permanent employees			*Permanent workers		
	Return to work rate	Retention rate		Return to work rate	Retention rate
 Male	41%	100%	 Male	27%	100%
 Female	1%	100%	 Female	1%	100%
 Total	42%	100%	 Total	28%	100%

\*Permanent workers refer to contractual workforce.

## 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.

Yes/No (If Yes, then give details of the mechanism in brief)



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

Category	2022-23			2021-22		
	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)	% (C/D)
<b>Total Permanent Employees</b>						
Male	1,412	404	28%	857	409	47%
Female	64	19	29%	35	19	54%
<b>Total Permanent Workers*</b>						
Male	992	992	100%	593	593	100%
Female	18	18	100%	5	5	100%

\*Permanent workers refer to contractual workforce.

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

Category	Total (A)	2022-23				Total (D)	2021-22			
		On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
<b>Employees</b>										
Male	1,412	802	56	1,018	83	857	246	28	277	857
Female	64	25	39	9	15	35	2	5	5	35
<b>Total</b>	<b>1,476</b>	<b>827</b>	<b>56</b>	<b>1,027</b>	<b>80</b>	<b>892</b>	<b>246</b>	<b>27</b>	<b>277</b>	<b>857</b>
<b>Workers*</b>										
Male	992	992	100	-	-	593	-	-	-	-
Female	18	18	-	-	-	5	-	-	-	-
<b>Total</b>	<b>1,010</b>	<b>1010</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Workers refer to contractual workforce.

## 9. Details of performance and career development reviews of employees and worker:

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1,412	1,412	100	857	857	100
Female	64	64	100	35	35	100
<b>Total</b>	<b>1,476</b>	<b>1,476</b>	<b>100</b>	<b>892</b>	<b>892</b>	<b>100</b>
<b>Workers*</b>						
Male						
Female						
<b>Total</b>						

\*Workers refer to contractual workforce.



## 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 of such a system?**

Yes, we have implemented an occupational health and safety management system. Both of our manufacturing units (Paradeep in Odisha and Zuarinagar in Goa) have been certified under ISO 45001. The coverage is 100% of our entity, and it covers both regular employees and contractors.

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

PPL employs a comprehensive approach to identify work-related hazards and assess risks on both routine and non-routine basis. It further includes the active involvement of the Company's senior executives, zonal safety members and contract workers. To identify the risk and its priority, we have employed Hazard identification and risk assessment (HIRA) which serves as a foundational step in our safety management process.

As part of our routine safety measures, the Company conducts a thorough Why-Why analysis, along with process safety audits, which often involve external agencies for impartial observations. Additionally, the entity undergoes inspections by the Government of Odisha's CIG (Chief Inspectorate of Factories) to ensure adherence to safety standards.

Moreover, we proactively conduct Hazard and Operability (HAZOP) studies and Quantitative Risk Assessments (QRA) to gain deeper insights into potential risks. Based on the findings of these assessments, the Company formulates Standard Operating Procedures (SOPs), Operational Control Procedures (OCP), and Safety Management Plans (SMP), which are rigorously practiced across the organisation.

For non-routine activities that involve higher risk levels, job safety analysis (JSA) is performed to thoroughly assess and mitigate potential hazards. Safety Mobile App is launched that enables instant recording and sharing of unsafe observations. Safety touch initiatives and safety hot spots are implemented to identify unsafe conditions and vulnerable hot spots at the shopfloor. Daily inspections are carried out by dedicated safety officers, ensuring continuous monitoring of safety protocols.

Employee participation is encouraged in safety improvement through a suggestion box placed strategically at various locations. To ensure ongoing commitment to safety, the entity sets Accident Prevention Plans with safety targets, actively overseen by Heads of Departments (HOD) and Heads of Sections (HOS). Regular surveys are conducted to understand the employees' concerns regarding safety. A cross-functional team conducts monthly visits to the plant and contractors' sheds to inspect tools and tackles. The Task Force Committee is established to focus on workplace safety, guiding personnel to adhere to SOPs and enforcing safe practices during shutdown procedures.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No) -Yes**

The Company has a centralised committee in place to which workers can reach out and raise their concerns about work-related hazards. These include the Central Safety Committee (Apex Safety Committee) and Zonal Safety Committees (Sub-Safety Committees). Regular monthly safety meetings are conducted by the contractor wherein workers' concerns can be heard and addressed. In addition, safety suggestion boxes are kept at the gates and canteen and suggestions can be dropped into it. On every third Thursday of the month, mass safety responsiveness (Safety Mann Ki Baat) is organised. Concerns can also be raised during safety theme meeting & morning safety pep talks.





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

Yes

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



Employees



Workers

Safety Incident/Number	Category	2022-23	2021-22
Lost time Injury Frequency Rate (LTIFR) (per one million-person injuries)	Employee	0	0
	Worker	0.13	0.11
Total recordable work-related injuries (LTA)	Employee	0	0
	Worker	1	1
No. of fatalities	Employee	0	0
	Worker	3	1
High consequences work-related injury or ill-health (excluding fatalities)	Employee	1	0
	Worker	3	2





## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To maintain health & safety culture at workplace, following initiatives have been adopted/implemented:

- Daily safety talk is conducted at the entry gate for contractor people & safety personnel.
- Periodic refresher safety awareness 'Gyaan Sabha' is conducted for all employees.
- Safety rules are displayed across the facilities.
- Regular safety related sessions are undertaken by supervisors including monthly business partner safety meetings. Training on Emergency Preparedness is provided to employees, contractors and to security personnels.
- Implemented Energy Management System (ISO 50001) and 5S certification. The certification (5S) stands for Sort, Straighten, Shine, Standardise and Sustain that encompasses high quality housekeeping & physical environment at the workplace.
- Driver's road safety declaration during entering of new heavy vehicles.
- Audio visual safety induction in Odia, Hindi and English languages for new entrants.
- Water pond made for accidental acid splash at SAP plant.
- New committee constituted for monthly physical inspection of lifting tools and tackles
- Quantitative risk assessment of the industry.
- Recognition to a person in every month's Contribution to Safety Committee (CSC) to recognise an individual's efforts and contributions towards maintaining and improving safety.
- Accident prevention plan made by individual section heads and submitted to the Ministry of Labour, Govt. of Odisha.
- Addressable fire detection system such as optical smoke detectors, response indicators, hooter with flashers, etc. along with repeater panel installed at Navratna Building & emergency Control room.
- New road safety signage's (Cat eyes, median markers, delineators, spring posts, thermoplastic paints and reflectors on trees) installed inside the plant.
- Well maintained workplace model, 'AAINAA' initiated at SAP, CPP ,WTP & Offsite plant.
- Adopted 7 industries as Safety Buddies.
- PPE's provided to workers to ensure safety and protection in the plant.
- Cooling vest provided to help support work in high temp/humidity area & confined space.
- Diphoterine solution provided to all sections for immediate assistance on the spot to manage an incident for instances when eyes/body part splashed by a chemical.
- Burn-free First aid kit and blankets provided to all sections.
- STK, GPS, satellite phone, communication earmuff and LED installed near entry gate for better awareness.
- Cross Functional Team constituted to find out the working condition of lifting tools, tackles, sling, wire ropes etc. inside the plant & kept in sheds.

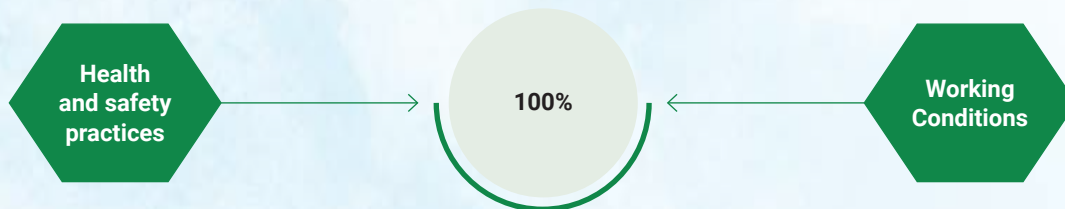


**13. Number of Complaints on the following made by employees and workers:**

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

**14. Assessments for the year:**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)



**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.**

- We have done Comprehensive Risk Assessment (CRA) in 2011 by M/S-DNV, Hyderabad & in 2012 by M/S Rams Safety Consultants, Chennai. Also, we have conducted gap assessment in Process Safety Management (PSM) in 2013 through partnering with Prism Consultancy, Chennai. As we are IMS Certified, we have the application of HIRA (Hazard identification & risk analysis) with control measures. Job safety analysis is carried out before initiating any critical work, going through process safety management audit (Prism consultancy, Chennai), Industrial Hygiene & Ergonomic Survey was conducted by inviting M/s. Arvind Industrial Hygiene Consultancy- Raipur in 2018 & external safety audit was carried out by M/S-NSC, Mumbai in 2016, 2018 & 2022. It is done as per BS-14489, Factories Act & MAH Rules-2001 rule-9 & OSHA CFR-29 and internal safety audit conducted by internal cross functional team, including CIG audit.
- All the new machines were subjected to HAZOP study, HIRA & job safety analysis before being put into the job. The proper SOP is followed. The OCP change management is followed. The concerned manager of the plant ensures safe usage of the new machinery.
- All Employees & Contract workers are taking part in Safety awareness programmes conducted regularly. In career advancement Safety is taken into account as KRA for the employees. If there will be incident, 10% of the total value will be deducted from annual pay. For awarding any contract, the previous record of the contractor is taken into consideration in relation to human safety.
- All the incidents (Near miss, First aid, minor, and reportable) are being reported including fire, and investigated thoroughly to find out the root cause and develop a corrective and preventive action plan. A specially trained cross functional team for conducting RCA is in place.





## LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Regular audit conducted by the Internal auditor and yearly audit by Statutory Auditors of the Company.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment)

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2022-23	2021-22	2022-23	2021-22
Employees	01	Nil	0	0
Workers	03	02		

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes



**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

- Due to the possibility of incident through daily exposure of workers, first aid boxes are kept in different locations and equipped with the appropriate medicines as per quality of wounds or injuries that may occur in the facility.
- First aid centre established at plant site with 24x7 engagement of one Pharmacist at first aid centre. 60 workers have been trained as first aiders for any medical emergency at the plant site.
- Providing plenty of beverages and pills that contain mineral salts to compensate for liquids and salts lost by the body as a result of exposure to heat. Heat stroke rooms are also established at hospitals for emergencies.
- Workers with heart diseases are excluded from work in cold areas
- Regular BP, HTN & other vitals are measured through the first aid centre inside the facility or site before working at Height .
- Periodical medical check-ups are conducted for workers
- Provided ear plugs or ear caps that fit the noise levels at the work site. In addition to periodical-related medical check-ups conducted to measure their hearing ability.
- Proper masks are provided to restrict dust from entering the body. Regular health checkups are done for employees to assess their medical conditions.
- Instant hospital facilities are readily available, with ambulances, doctors, pharmacists, etc.






**PRINCIPLE → 4 Businesses should respect the interest of and be responsive to all its stakeholders**
**ESSENTIAL INDICATORS**
**1. Describe the processes for identifying key stakeholder groups of the entity.**

At Paradeep Phosphates, we believe that stakeholders play an integral role in business operations and recognise the importance of engaging with stakeholders to understand their concerns, for long-term business sustainability. We have adopted an inclusive approach towards stakeholders by engaging with them through meaningful dialogue and identifying the topics that are of high priority.




Core stakeholders have been identified as individuals or groups of individuals or institutions that contribute to our operational success and strengthen the value of our business chain activities. Also, as part of our materiality assessment exercise undertaken in 2021-22, the Company identified a sample set of internal and external stakeholders to capture their inputs, The key stakeholder groups include employees, customers, suppliers, investors/ shareholders, Government/regulators, industry associations, communities and NGOs.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Employees	No	<ul style="list-style-type: none"> <li>- Satisfaction surveys</li> <li>- Grievance redressal</li> <li>- Annual engagement activities</li> <li>- Meetings with employee associations and unions</li> </ul>	Regular and on a continuous basis	<ul style="list-style-type: none"> <li>- To inform about employees' well-being initiatives</li> <li>- For training and development</li> <li>- To address employees' grievances</li> <li>- Regarding the Company's progress and growth plans</li> </ul>
 Customers	No	<ul style="list-style-type: none"> <li>- Annual customer meet</li> <li>- Zonal customer meet</li> <li>- Customer interactive meet</li> </ul>	Regular and on a continuous basis	<ul style="list-style-type: none"> <li>- Ensuring customer satisfaction and needs are met</li> <li>- Resolving customer grievances</li> <li>- Information about products, its use and benefits</li> </ul>
 Suppliers	No	<ul style="list-style-type: none"> <li>- Supplier meets</li> <li>- Industry conclave</li> </ul>	Regular and on a continuous basis	<ul style="list-style-type: none"> <li>- Ensuring business ethics and alignment with organisational values</li> <li>- Ensure quality of material is met - Integration of ESG aspects into supplier operations</li> </ul>





Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Investors/ Shareholders	No	-Investor meets -Press conferences	Regular and on a continuous basis	- Give updates on the Company's business and financial performance - Regarding growth and future strategy
 Government and Regulatory authorities	No	- Through MoUs - Quarterly - Progress Report - Annual Report	Regular and on a continuous basis	- Regarding clarification on guidelines and advice on technical/regulatory points - Share updates on the Company's initiatives to ensure alignment with regulatory requirements
 NGOs/ Community members	Not all stakeholder groups are considered vulnerable. (In the local community, the Company works with the lower socio-economic section of society)	-Project Meetings -Annual Reviews	Event driven and on need basis	- Provide support to NGOs for social upliftment - Ensure communities we operate in are supported through a network of NGOs - Creating shared value

## LEADERSHIP INDICATORS

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

At Paradeep Phosphates Limited, we believe that stakeholder engagement is important to identify pertinent issues on economic, environment, and social parameters. We undertook an extensive stakeholder engagement exercise in 2021-22 to identify material topics and mapped the associated risks. The Company periodically reviews stakeholder engagement exercise to identify the material issues which influence both internal and external stakeholders.



**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No), If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, we have identified material challenges related to environmental and social topics. The Company has formulated management strategy and risk mitigation techniques based upon the material challenges identified. The Company discloses its management strategy, targets/goals and other non-financial disclosures in the sustainability report every year.

**3. Provide details of instances of engagement with, and action taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

We undertake several CSR initiatives to engage with marginalised/vulnerable sections of community stakeholders. The Company focusses on education, livelihood improvement, healthcare, environment, farmer collaboration as part of various CSR programmes.



**PRINCIPLE → 5** Businesses should respect and promote human rights.

**ESSENTIAL INDICATORS**

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

Category	2022-23			2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (A)	No. of employees / workers covered (B)	% (B/A)
<b>Employees</b>						
Permanent	1,476	635	43	892	495	55
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>1,476</b>	<b>635</b>	<b>43</b>	<b>892</b>	<b>495</b>	<b>55</b>
<b>Workers*</b>						
Permanent	527	269	51	598	398	67
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>527</b>	<b>269</b>	<b>51</b>	<b>598</b>	<b>398</b>	<b>67</b>

\*Data pertains to only paradeep plant and workers refer to contractual workforce.

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

Category	2022-23					2021-22				
	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)
<b>Employees</b>										
<b>Permanent</b>										
Male	1,412	0	0	1,412	100	857	0	0	857	100
Female	64	0	0	64	100	35	0	0	35	100
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers*</b>										
<b>Permanent</b>										
Male	992	-	-	992	100	593	0	0	593	100
Female	18	-	-	18	100	5	0	0	5	100
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

\*Workers refer to contractual workforce.



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

Category	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BOD)	4	482,500	1	645,000
Key Managerial Personnel	3	64,47,000	Nil	NA
Employees other than BOD and KMP	1,412	9,84,423	64	8,00,319
Workers	992	3,82,938	18	3,55,984

### 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

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

An aggrieved employee has the option to meet departmental head/concerned supervisor, e-mail or send a letter to discuss his grievances. However, in order to ensure a time bound redressal of grievances; the grievance redressal process follows a three-tier escalation system.

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

Category	2022-23			2021-22		
	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	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issued	Nil	Nil	-	Nil	Nil	-





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

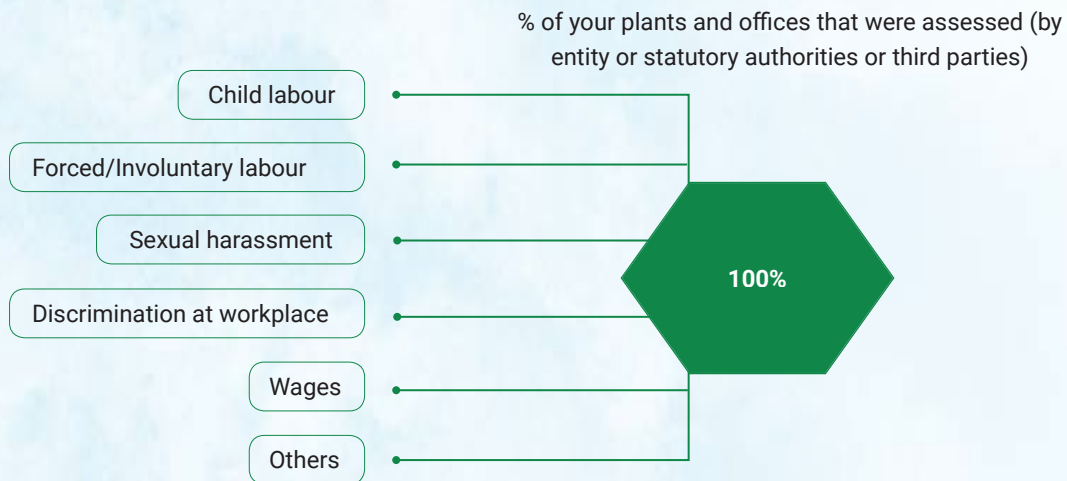
In order to ensure a safe and inclusive work environment, the Company has formalised a Prevention of Sexual Harassment Policy. This includes a strict zero tolerance approach to any form of harassment at the workplace. As part of the policy, Internal Complaints Committee (ICC) has been instituted for redressal of sexual harassment complaint made by the victim and for ensuring time bound treatment of such complaints.

We also have a Whistleblower Policy in place to protect the complainant. The policy outlines the necessary safeguards to allow protected and confidential disclosures.

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

Yes

**9. Assessment for the year:**



**Note** - Internal & Statutory auditors conduct quarterly assessments. Government authorities (PF, ESI, and Central Inspection Coordination Group) conduct annual assessments.

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

Not applicable

**LEADERSHIP INDICATORS**

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

In 2022-23, we have not modified any business process as a result of addressing human rights grievances/complaints.



**2. Details of the scope and coverage of any Human rights due diligence conducted.**

No human rights due diligence was conducted in the reporting year.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements or the Rights of Persons with Disabilities Act, 2016?**

Yes, our premises are designed to provide unhindered accessibility to differently abled persons.

**4. Details on assessment of value chain partners**

Not applicable

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

Not applicable











**PRINCIPLE → 6** Businesses 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:**

Parameter	2022-23	2021-22
 Total electricity consumption (A)	9,87,419.36 GJ	9,34,656.39 GJ
 Total fuel consumption (B)	86,15,250.87 GJ	83,84,938.93 GJ
 Energy consumption through other sources (C) - Steam	32,76,547.18 GJ	47,50,473 GJ
 Total energy consumption (A+B+C)	1,28,79,217.41 GJ	1,40,70,068.32 GJ
 Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	96.54 GJ/ ₹ million	135.50 GJ/ ₹ million
 Energy intensity (Total energy consumption/metric tonnes of production)	3.53 GJ/Metric tonnes of production	4.33 GJ/Metric tonnes of production

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

Yes, PPL has conducted Mandatory Energy Audit as a compliance under BEE PAT Cycle -2 in the month of September-2021 through M/s Green Flame Private Limited (Accredited Energy Audit Agency).

**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.**

Yes, ammonia/urea facility identified as designated Consumer (DC) under PAT.

In PAT Cycle-1, energy saving targets were achieved.

In PAT Cycle-2, we are entitled to purchase 1926 no of ESCerts which are purchased from the Energy Exchange Platform.

In PAT Cycle-3 targets are not assigned to fertiliser industries (Urea units).

However, as part of the energy saving programme, we are implementing energy saving projects in two phases: the first phase will be implemented in 2023-24 and second phase will be implemented in 2024-25.





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

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface (Municipality, lakes, rivers) water	10,139,745	10,540,352
(ii) Ground water	-	-
(iii) Third party water	-	-
(iv) Sea water/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	10,139,745	10,540,352
Total volume of water consumption (in kilolitres)	10,139,745	10,540,352
Water intensity per rupee of turnover (Water consumed/turnover in Million rupees)	76.01	101.51
Water intensity per rupee of turnover (Water consumed/metric tonne of product)	2.78	3.24

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, we have not carried out any independent assessment by an external agency.**

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

Yes, we have established Zero Liquid Discharge mechanisms, achieved by a closed-loop water cycle and various recycling routes. To treat wastewater, both manufacturing plants have ETP and STP installed. Treated wastewater is re-used to reduce freshwater use. Installation of a reverse osmosis (RO) plant to treat Cooling Tower Blow-down streams lowered freshwater use even further. The permeate is re-used as cooling tower make-up, while the discarded is utilised as process water at our manufacturing facilities.

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

Parameter	Unit	2022-23	2021-22
NOx	MT	438.75	380.95
SOx	MT	1,259.93	1,137.78
Particulate matter (PM)	MT	483.484	427.635
Persistent organic pollutants (POP)	MT	NA	NA
Volatile organic compounds (VOC)	MT	NA	NA
Hazardous air pollutants (HAP)	MT	NA	NA
Others	MT	11.56	7.83

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 emission (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	2022-23	2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>2</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> eq.	4,45,229.22	4,25,708.92
<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)	Metric tonnes of CO <sub>2</sub> eq.	41,786.97	22,744.25
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Metric tonnes of CO <sub>2</sub> eq./₹ Million rupees	3.65	4.32
<b>Total Scope 1 and Scope 2 emission intensity</b> (per Metric tonne of production)	Metric tonnes of CO <sub>2</sub> eq./ Metric tonnes of production	0.21	0.34

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.**

Paradeep Phosphates is committed to continuously improving energy efficiency and reducing the carbon footprint of our operations.

We have undertaken various projects for reducing GHG emissions:

- Installation of captive solar plant
- Installation of waste heat recovery system for steam and electricity generation
- Installation of energy-efficient motors
- Replacement of conventional luminaires with LED luminaires

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

Parameter	2022-23	2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	5,783.21	5,086.23
<b>E-waste (B)</b>	7.221	6.786
Bio-medical waste (C)	0.812	0.898
Construction and demolition waste (D)	-	-
Battery waste (E)	2.06	3.37
Radioactive waste (F)	NA	NA
Other Hazardous waste(G)- Used oil, Spent resin, Surplus muck, Spent catalyst, Sludge etc.	3,510.74	3,360.06



Parameter	2022-23	2021-22
Other Non-hazardous waste generated (H)- Metal waste, waste sand, waste carbon etc.	15,13,099.7	15,05,773.21
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>15,22,403.74</b>	<b>15,14,230.55</b>
<b>Waste generated per rupee of turnover (Waste generated in MT / turnover in Million rupees)</b>	<b>11.41</b>	<b>14.58</b>
<b>Waste generated per rupee of turnover (Waste generated in MT / production in MT)</b>	<b>0.42</b>	<b>0.47</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Hazardous Waste</b>		
(I) Recycled	42	6.91
(ii) Re-used	3,316.10	3,261
(iii) Other recovery operations	0	0
<b>Total</b>	<b>3,358.10</b>	<b>3,267.91</b>
<b>Non-Hazardous waste</b>		
(I) Recycled	0	0
(ii) Re-used	36,790.20	30,350.70
(iii) Other recovery operations	0	0
<b>Total</b>	<b>36,790.20</b>	<b>30,350.70</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Hazardous waste</b>		
(i) Incineration	2.97	0
(ii) Landfilling	100.5	50.75
(iii) Other disposal operations Disposed through authorised recyclers/users	49.17	48.01
<b>Total</b>	<b>152.64</b>	<b>98.76</b>
<b>Non-Hazardous Waste</b>		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations- Disposed through authorised recyclers and users	14,78,660.34	14,75,544
<b>Total</b>	<b>14,78,660.34</b>	<b>14,75,544</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. -Yes

M/s SIMA LABS Private Limited, New Delhi



**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 approach to waste management is guided by the 4R principle of 'Reduce, Reuse, Recycle and Recover' for management of waste in a compliant and ecologically responsible manner. Across our operations, efforts are made to maximise the reuse of waste. Waste that cannot be reused is disposed of in line with regulatory requirements and statutory guidelines. Simultaneously, the Company is constantly working to reduce the generation of hazardous and non-hazardous waste at its manufacturing facilities.

- Sulphur muck – Sulphur muck generated from production of sulphuric acid is being used as filler in manufacturing of fertilisers. However, molten sulphur from IOCL is used to reduce generation of sulphur muck.
- ETP Sludge – ETP sludge is used as filler in the manufacturing of fertilisers. However, efforts are continued to reduce the effluent to ETP as well as reduction of ETP sludge.

**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:**

We do not operate in ecologically sensitive areas.

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

We have not undertaken any environmental impact assessment in 2022-23.

**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-compliance, in the following format:**

Yes, PPL is compliant with respect to the applicable environmental laws/ regulations/ guidelines in India such as: The Water (Prevention & Control of Pollution) Act, 1974; The Air (Prevention & Control of Pollution) Act, 1981; Noise Pollution (Regulations and Control) Rules 2000; Hazardous and other Wastes (Management and Trans-boundary Movement) Rules 2018; E-Waste (Management) Rules, 2016; Plastic Waste Management Rules, 2016; The Environment (Protection) Rules, 1986.

There have been no instances of non-compliance during the year.





## LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	2022-23	2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	908.16 GJ	995.42 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>908.16 GJ</b>	<b>995.42 GJ</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	211,877.60 GJ	115,322.97 GJ
Total fuel consumption (E)	86,15,250.87 GJ	83,84,938.93 GJ
Energy consumption through other sources (F) -Waste Heat Recovery	40,51,180.78 GJ	55,68,811 GJ
Total energy consumed from non-renewable sources	1,28,78,309.25 GJ	1,40,69,072.90 GJ

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. Provide the following details related to water discharged:

Parameter	2022-23	2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment- through ETP/STP	4,204	3,921
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatments	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment	-	-

Parameter	2022-23	2021-22
(v) Others	-	-
- No treatment	-	-
- With treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>4,204</b>	<b>3,921</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. **-No**

**3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

**For each facility/plant located in areas of water stress, provide the following information:**

We do not operate in any water-stressed areas.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

We are presently in the process of accounting our Scope 3 emissions and results will be published in our ESG report for 2022-23.

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiative, as per the following format:**

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Collective action taken, if any
Captive Solar Plant	We have installed a 255kW captive solar power plant at Paradeep manufacturing facility to increase the share of renewable energy in our energy mix.	Reduction in GHG emissions	Not applicable
Molten Sulphur (Steam saving)	We have collaborated with IOCL to procure sulphur in molten state instead of solid state. This eliminates the need of converting solid sulphur to molten sulphur at site	Reduction in GHG emissions: 41 tCO <sub>2</sub> e annually	Not applicable
Waste Heat Recovery	We have installed a waste heat recovery system at Paradeep facility in sulphuric acid plants. On a daily basis, the waste heat recovery system generates power equivalent to 245 MW	Reduction in GHG emissions: 225,191 tCO <sub>2</sub> e annually	Not applicable





**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, we have an onsite emergency plan which outlines SOPs in case of various identified disasters to maintain business continuity and ensure personnel safety.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No adverse impact on the environment was observed in the reporting year.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA

**PRINCIPLE → 7** Businesses when engaged 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.**

We are associated with eight trade bodies/ associations

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

Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
CII	National
Assocham	National
FAI	National
FICCI	National
Indian Chamber of Commerce	National
IFA	International
Green Triangle Society	State
Goa Management Association	State

**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.

**LEADERSHIP INDICATORS**

**1. Details of public policy positions advocated by the entity:**

Not Applicable.





**PRINCIPLE → 8 Businesses should promote inclusive growth and equitable development**
**ESSENTIAL INDICATORS**
**1. Details of Social Impact Assessment (SIA) of projects undertaken by the entity based on applicable laws.**

Not Applicable.

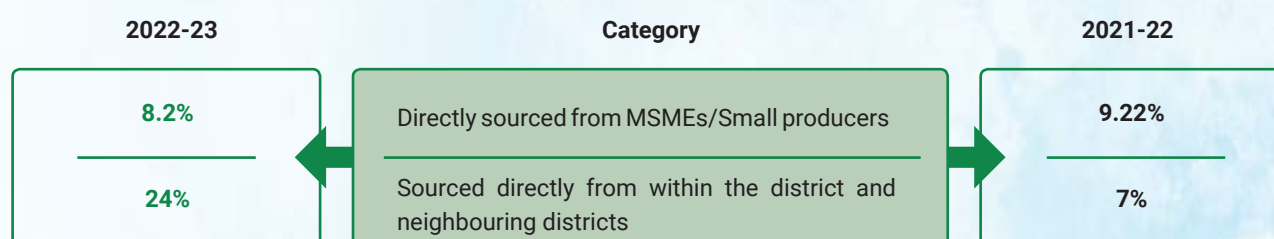
The Company does not have a mandatory requirement of conduct SIA on its projects.

**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 mechanism to receive and redress grievances of the community.**

We engage with the community through our NGO partners and in-person meetings. We hold special events to interact with farmers and suppliers to engage with them and redress their grievances.

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

**LEADERSHIP INDICATORS**
**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessment (Reference: Question 1 of Essential Indicators above)**

The Company is in process of conducting Social Impact assessments in 2023-24 on a voluntary basis.

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies**

The Company is in process of conducting CSR programmes in aspirational districts from FY24 onwards. The required information will be disclosed from next year onwards.

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)  
(b) From which marginalised/vulnerable groups do you procure?  
(c) What percentage of total procurement (by value) does it constitute?**

The Company presently does not have a preferential procurement policy. The required information is presently not available.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity, based on traditional knowledge:**

Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Patents	No	No	NA
Trademark	Owned (Jai Kisaan and Navratna)	No	NA
Copyrights	No	No	NA

**5. Details of corrective actions taken underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable.

**6. Details of beneficiaries of CSR Projects:**

CSR Project	No. of persons % benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Livelihood And Skill Development	3,794	348
HealthCare and WaSH	39,932	747
Education	9,430	105
Rural Infrastructure Development	1,580	105
Women Empowerment	2,952	440



**PRINCIPLE → 9 Businesses should engage with and provide value to their consumers in a responsible manner**
**ESSENTIAL INDICATORS**
**1. Describe the mechanism in place to receive and respond to consumer complaints and feedback.**

The Company provides customer feedback contact details on all its fertiliser packs. Customers can reach out through phone numbers (06722-229400/600 for Paradeep and 0832-2592673 for Goa) or via email (customerareppl@adventz.com and customercare@adventz.com). Dedicated compliance officers at the Paradeep and Goa sites are responsible for addressing these queries promptly.

**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	100% of the Company's bags carry EPR Registration number
Safe and responsible usage	PPL's teams across all its marketing territories organise farmer meetings regularly to apprise them about soil health awareness and balanced use of fertilisers
Recycling and/or safe disposal	During these meetings, the farmers are also apprised about safe disposal of fertiliser bags after use

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

Customer feedback regarding fertiliser quality/availability, received through the e-mail IDs: customerareppl@adventz.com and customercare@adventz.com, is addressed by respective regional teams.

To raise any concern regarding I.T./cybersecurity, an individual can do so by sending an email to dpmohanty@adventz.com

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

PPL deals in fertilisers for improving soil fertility. By nature, fertilisers are non-hazardous and there are no safety issues involved in their handling. Also, as fertilisers do not have any expiry date, recall is not required.



**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 ensures highest standards of data privacy and cybersecurity as detailed in its Information Security Management System (ISMS) policy. Also, the Company's Information Management System is ISO 27001:2013 certified and provides for a strong system of checks and balances to protect sensitive information. To raise any concern regarding I.T./cybersecurity an individual can do so by sending an email on [dpmohanty@adventz.com](mailto:dpmohanty@adventz.com)

It also has a publicly available privacy policy that provides information to how personal information is collected, processed and protected.

Link to the Company's Privacy policy:

<https://www.paradeepphosphates.com/privacy-policy#:~:text=PPL%20does%20not%20capture%20any,details%20about%20PPL%20%26%20its%20services.>

**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.**

So far as the product advertising is concerned, the declarations in product communication are based on nutrient content as per FCO (fertiliser control order) guidelines and product benefits. There have been no instances of issues related to advertising.

**LEADERSHIP INDICATORS**

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information on products and services can be accessed at the Company's weblink:

<https://www.paradeepphosphates.com/brands-and-products>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

During farmer meetings, they are apprised about soil health and balanced use of fertilisers for better yield.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

PPL's marketing teams and channel partners try to maintain the availability of key fertilisers throughout the year, particularly during the main seasons – Kharif and rabi as fertilisers are part of essential commodities. Even during the Covid-19 pandemic, the regular supply of fertilisers was ensured, supported well by the Department of Fertilisers, Govt of India.





4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

All the declarations on the Company's packaging are based on the Fertiliser Control Order and Legal Metrology guidelines.

5. Provide the following information relating to data breaches:

- Number of instances of data breaches along with impact - None
- Percentage of data breaches involving personally identifiable information of customers - Zero (0 %)



# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economy

Despite the significant challenges (especially inflationary) faced by the global economy in the aftermath of the Covid-19 pandemic and the Russia-Ukraine conflict, there are positive signs of progress. Most central banks implemented a synchronised and substantial tightening of monetary policy. Such a move helped in reducing the inflationary pressures exacerbated by the war. This was evident through the cooldown of prices across energy, food and commodity and diminishing supply shortages, which had escalated earlier. Although food prices have not fully returned to normal levels, they have declined since their peak in early CY 2022. Moreover, dislocations in energy and food markets caused by the conflict are gradually dissipating, providing hope for a brighter economic outlook. In addition, supply chain disruptions have started normalising with the opening up of China's economy.

While advanced economies experienced a growth rate of 2.7% in 2022, Emerging Markets and Developing Economies registered a growth of 4%. Moving forward as the economies come out of the disruptions there is a need for multilateral cooperation to help defuse geopolitical tensions and respond to the challenges of an interconnected world. It will help in safeguarding the functioning of global financial markets, manage debt distress, foster global trade and reinforce the multilateral trading system. This will ensure food and energy security, advance the green and digital transitions, and improve resilience to future pandemics.

## Indian Economy

According to the International Monetary Fund (IMF), India is expected to maintain its position as a favourable contributor to the global economic expansion. Despite global uncertainties, India's economy has shown greater resilience, with high-frequency economic indicators such as GST collections, E-way bill generation, services PMI, and retail credit growth, pointing towards the healthy consumption demand. The RBI's recurring interest rates hikes since May 2022 to bring inflation under control have further supported the economy in its recovery. However, in April 2023, the central bank paused the rate hikes to assess the impact of the previous hikes.

Riding on this positivity, the economy has grown by 7% in 2022-23. The Government's decision to ease Covid-induced restrictions has resulted in an increase in both manufacturing and financial activities. This eventually helped bolster consumer confidence, resulting in increased private consumption. Additionally, the Government's thrust on becoming a global manufacturing hub is evident through its increased focus on manufacturing schemes. Its

'Make in is now focussing on 27 sectors, which include 15 manufacturing and 12 service sectors, including furniture, agri-products, textiles, robotics, televisions, and aluminium. As a result of these initiatives, India is reaping the benefits of new partnerships with other countries as they seek to secure their supply chains by establishing manufacturing plants in India.

Such initiatives are also visible in India's agriculture as the Economic Survey 2022-23 points out that the Indian agriculture sector has been growing at an average annual growth rate of 4.6% during the last six years. This period of buoyant performance could be attributed to the measures taken by the Government to promote farmer-producer organisations, encourage crop diversification, and improve productivity in agriculture through support provided for mechanisation. Furthermore, the creation of the Agriculture Infrastructure Fund is a remarkable initiative that is helping to unlock the growth potential of Indian agriculture. These initiatives resulted in total food grain production recording around 3,235.54 Lakhs tonnes in 2022-23, which is higher by 79.38 Lakhs tonnes as compared to the previous year 2021-22.

## Outlook

India's economy is expected to continue its upward trajectory in 2023, with a projected growth rate of 6.5% and an inflation rate of 5.2% as per RBI. Structural reforms and policies aimed at promoting investment and productivity, along with an expanding and youthful workforce, provide India with strong prospects for sustained growth, positioning it well to become a leading economy in the coming years. The Government's focus on fostering entrepreneurship and innovation, combined with a thriving start-up ecosystem and a growing digital economy, further drives growth and creates new opportunities. The Government's increased spending on infrastructure projects, including initiatives, such as Product Linked Incentive Scheme and PM Gati Shakti, has helped boost economic activity, with further acceleration expected in the future. Overall, India's economy appears to have a bright future in 2023 and beyond.

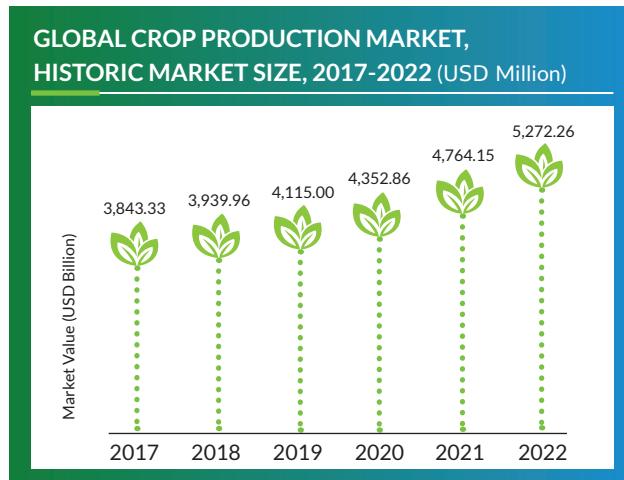
## World Agriculture Overview

The global crop production market was worth USD 5,272.20 Billion in 2022. The global crop production market grew from USD 3843.33 Billion in 2017 to USD 3,843.33 Billion in 2022, registering a compound annual growth rate (CAGR) of 6.53%.

The demand for food is influenced by a number of factors, including population growth, demographic changes, income growth, income distribution, and food prices. It is projected



Management Discussion and Analysis (Contd.)



The Business Research Company  
Sources: Market Data Sources, TRBC Estimates, TRBC Analysis

that the world population will increase from 8 Billion in 2022 to 8.5 Billion in 2030, driving up the demand for food. Low and middle-income countries are expected to lead this surge as they are characterised by high population growth rates.

In contrast, high-income countries are expected to experience slower population growth and a saturation in the per capita consumption of some food groups. The continuous increase in energy and agricultural input prices, such as fertilisers, may raise cost of agricultural production and constrain productivity and output growth in the coming years. Despite these challenges, world demand for agricultural commodities, including for non-food uses, is projected to rise. Moving ahead, governments are also implementing policies to support agriculture, including subsidies and infrastructure development. However, natural disasters, economic conditions, and political developments could impact the growth rate.

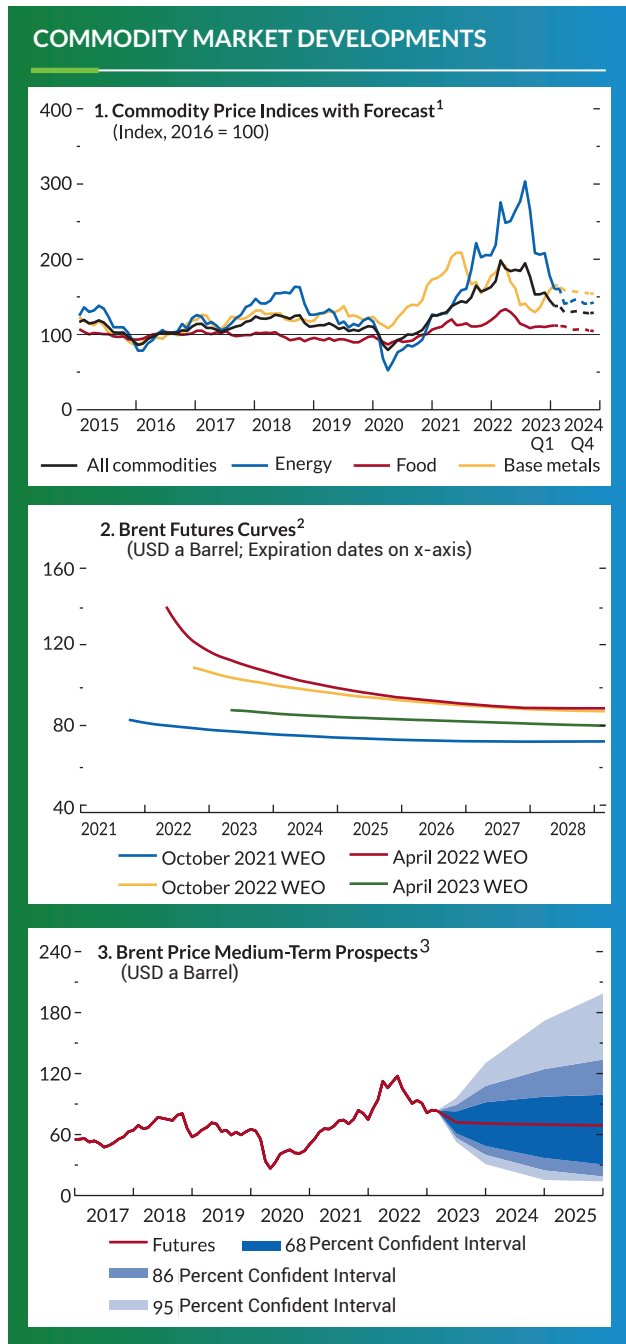
(Source: Report on Global Crop Production Market Briefing 2023 Including: Vegetable Farming; Grain Farming; Fruit And Nut Farming; Oilseed Farming; Greenhouse, Nursery, And Flowers; General Crop Farming.)

**Commodity Prices**

**Crude Oil**

According to the World Economic Outlook published by the IMF, crude oil prices retreated by 15.7% between August 2022 and February 2023 as the slowing global economy weakened demand.

In 2022, China experienced its first annual decline in oil consumption as a result of Covid-19 shutdowns and a weakening real estate market, which raised concerns about demand. Meanwhile, uncertainty surrounding Western sanctions on Russian crude oil exports affected global



Sources: Bloomberg Finance L.P.; IMF, Primary Commodity Price System; Kpler; Refinitiv Datastream; and IMF staff calculations.

Note: WEO = World Economic Outlook.

<sup>1</sup> Adjusted for inflation using the US consumer price index (CPI). Last actual value is applied to the forecast period. Dashed lines are the forecasts from 2023:Q1 to 2024:Q4.

<sup>2</sup> WEO futures prices are baseline assumptions for each WEO and derived from futures prices. Prices in the April 2023 WEO are based on the March 17, 2023, closing.

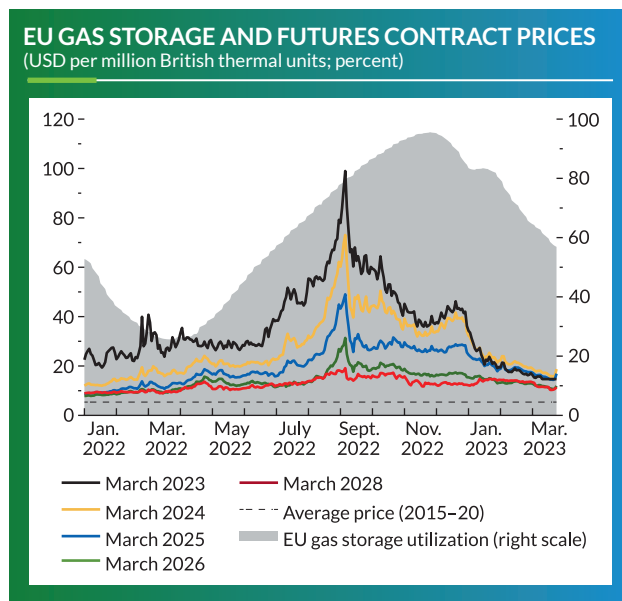
<sup>3</sup> Derived from prices of futures options on March 17, 2023.

market balances. However, Russian oil exports remained stable by redirecting oil to non-sanctioned countries such as India and China at discounted prices. The release of strategic petroleum reserves and the implementation of



## MANAGEMENT DISCUSSION AND ANALYSIS

reduced production targets by OPEC+ supported sufficient oil supply. Futures markets predict a significant 24.1% decrease in crude oil prices for 2023 and anticipate further declines in the subsequent years. However, price uncertainty persists due to factors such as China's economic rebound and the ongoing energy transition. Upside price risks include potential supply disruptions and insufficient investment,



Sources: Argus Direct; Bloomberg L.P.; Gas Infrastructure Europe (GIE); and IMF staff calculations.

Note: European Union country coverage by the GIE definition. Dates in legend are Dutch Title Transfer Facility (TTF) futures contracts expiration date.

while downside risks relate to the possibility of a global economic relapse.

### Phosphate

The phosphate market in 2022 saw significant fluctuations, starting with phosphoric acid prices reaching an all-time high of over USD 1,700 per metric tonne (MT) in the first half of year 2022-23. Prices started to normalise in the latter half of the year, ending lower than the initial point. This upward trend was driven by concerns surrounding grain and fertiliser exports from Russia and Ukraine. The market faced additional challenges when China implemented export suspensions until June 2022, aiming to secure sufficient domestic supply. As a result, Chinese fertiliser exports experienced a sharp decline in 2022 due to trade barriers imposed by the government.

(Source: <https://investingnews.com/agriculture-forecast/>)

### Muriate of Potash

Muriate of Potash (MOP) prices fluctuated significantly, reaching a peak of USD 562 per metric tonne in

March 2022. Canada remained the top potash producer with 14 Million metric tonnes, while Russia and Belarus produced a combined 17 Million metric tonne. Potash demand weakened due to high prices, limiting the advantage for Canadian producers. Belarus experienced a decline of over 50% in potash exports due to transit restrictions via EU territory.

(Source: <https://investingnews.com/agriculture-forecast/>)

### Agricultural Prices

During January 2023 to April 2023, food inflation was experienced by numerous low- and middle-income countries, with inflation greater than 5% in 70.6% of low-income countries, 81.4% of lower-middle-income countries, and 84.0% of upper-middle-income countries. Additionally, a considerable number of these nations faced double-digit inflation in their food prices. High income countries too faced elevated food price inflation as 80.4% of them experienced it. The most-affected countries are in Africa, North America, Latin America, South Asia, Europe, and Central Asia.

When comparing food price inflation to overall inflation, as measured by the year-on-year change in the Consumer Price Index (CPI), it is evident that food prices rose at a faster pace. This trend held true in 84.5% of the 161 countries analysed, indicating that food price inflation outpaced general inflation.

With estimates from International Research Institute for Climate and Society in May 2023, suggesting an 82% likelihood of El Niño conditions from May 2023 to July 2023, could further drive-up prices of agriculture.

(Source: [https://www.worldbank.org/en/topic/agriculture/brief/food-security-update?intcid=ecr\\_hp\\_BeltA\\_en\\_ext](https://www.worldbank.org/en/topic/agriculture/brief/food-security-update?intcid=ecr_hp_BeltA_en_ext))

### Global Fertiliser Prices

The fertiliser price index of the World Bank experienced a decrease of almost 8% in the third quarter of 2022, when compared to the previous quarter. However, the prices still remain high in historical terms, mainly due to the reduction in supplies following Russia-Ukraine conflict. The price normalisation is happening due re-starting of production facilities around the world leading to a healthier supply of raw materials. The index is expected to decrease further by 12% in 2023, as supply disruptions gradually ease after a projected increase of 66% in 2022. But there are some risks to this outlook, including higher input costs, additional sanctions on Belarus and Russia, and extended export restrictions by China.

The prices of nitrogen (urea) decreased by 20% in the third quarter of 2022, after reaching an all-time high in April. This was mainly due to the reassessment of fertiliser



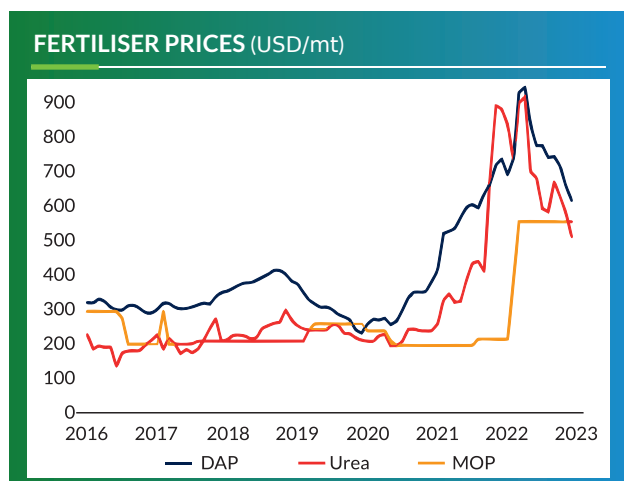
## Management Discussion and Analysis (Contd.)

affordability by buyers, amid record-high natural gas prices in Europe. The steep increase in input costs, especially that of ammonia, and rising production costs have reduced European nitrogen production capacity by at least half. Also, China extended export restrictions on urea fertilisers until the end of 2022, resulting in a 60% year-on-year decrease in its urea exports during the first eight months of 2022. Nevertheless, a significant increase in new capacity is expected outside Europe and Russia within the next two years, which will eventually restore global supplies. Some fertiliser plants were commissioned earlier this year in countries like Brunei and Nigeria but have yet to reach full capacity. Furthermore, six new plants in India, each with a capacity of 1.3 Million metric tonne (mmt), are anticipated to commence operations between 2023 and 2025.

The decrease in urea prices is expected to be 10% in 2023, and a further 8% in 2024 as new capacity comes online.

DAP (diammonium phosphate) prices decreased by 11% in the third quarter of 2022, after recording large gains earlier in the year. Some countries have also experienced strong phosphate demand, including Brazil and India, which could begin to weigh on global demand. Furthermore, export restrictions by China, which account for 30% of global trade in DAP, have had a material effect on supply. Owing to the restrictions, China's DAP exports fell 50% year-on-year, during the first ten months of 2022. Following an expected increase of 32% in 2022, DAP prices are projected to fall modestly in 2023 and 2024.

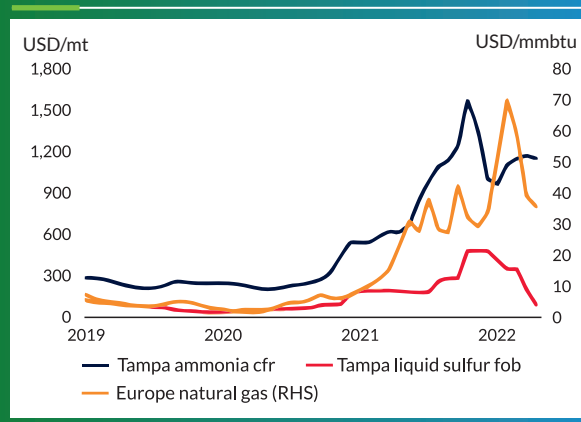
MOP (muriate of potash, or potassium chloride) contract benchmark prices remained unchanged in the third quarter of 2022, following a large jump in contract prices between



Note: DAP=diammonium phosphate. MOP=muriate of potash. mt= metric tonne. Last observation is December 2022.

Source: Bloomberg; World Bank.

### FERTILIZER INPUT COSTS



Note: cfr = cost and freight; fob = free on board. Last observation is November 2022.

Source: Bloomberg; World Bank.

producers and Chinese and Indian buyers in February same year. However, spot prices retreated from their April highs due to lacklustre demand, mainly in North America. The market remains tight due to reduced supply from Belarus and Russia, which account for about two-fifths of global potash exports, as a result of sanctions related to the war in Ukraine. Belarusian fertiliser exports are blocked from global markets, whereas exports from Russian ports have been limited due to logistical issues, even though the Russian fertiliser industry has not been subject to sanctions. Potash prices are predicted to remain high in 2023 and 2024. This follows an estimated increase of 150% in 2022, as MOP production is highly concentrated in a few countries, including Belarus, Canada, China, Israel, and Russia. As per estimate, these countries account for 85% of global production, and supplies from smaller markets are not likely to make up for the shortfall in the short-term.

(Source: <https://blogs.worldbank.org/opendata/fertiliser-prices-ease-affordability-and-availability-issues-linger>)

### Countering Global Fertiliser Crisis

China implemented a second round of quotas in July 2022, limiting phosphate exports to 3.16 Million tonnes. This round imposed a lower limit compared to the first round in October 2021, which restricted exports to 5.5 Million tonnes. The decision was made in response to soaring prices of raw materials and the need to address high fertiliser prices caused by factors like strong overseas demand, low domestic production, high energy costs, and the impact of floods in Henan province. Albeit, China was able to export DAP and urea to buyers like India and Pakistan in 2022.



## MANAGEMENT DISCUSSION AND ANALYSIS

In May 2022, India entered into a Memorandum of Understanding (MOU) with the Jordan Phosphate Mining Company (JPMC) to secure the supply of essential fertilisers for the year 2022. The agreement includes the delivery of 30 LMT of rock phosphate, 2.50 LMT of DAP, and 1 LMT of phosphoric acid. Furthermore, India has also signed a long-term MOU with Jordan, spanning five years, for the annual supply of 2.75 LMT of MoP. The agreement includes a uniform increase in supply every year, which will reach up to 3.25 LMT by the end of the agreement.

In January 2023, OCP, the Moroccan producer of phosphates and fertilisers, entered into an agreement to supply India with 1.7 Million tonnes of phosphate-based fertilisers during the year. As per the terms of the deal, OCP is set to provide India with 700,000 tonnes of triple super phosphate (TSP), a nitrogen-free fertiliser, along with 1 Million tonnes of diammonium phosphate (DAP). Notably, Morocco, which boasts the world's largest reserves of phosphates, recorded a significant increase of 54.8% in exports of the mineral and its derivatives, including fertilisers, amounting to 108 Billion dirhams (USD 10.6 Billion) in the first 11 months of 2022.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1826017>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1881518>, <https://www.reuters.com/article/us-china-exports-fertilisers-idUSKBN2F007W>, <https://www.reuters.com/markets/commodities/morocco-plans-sell-india-17-Million-tonnes-fertilisers-2023-2023-01-22/>)

### Indian Agriculture

India's agriculture sector has made remarkable progress in recent years, with the country achieving record-high production of several crops, including rice, wheat, maize, pulses, mustard, sugarcane, and oilseeds. This achievement has been made possible with contributions from top crop-producing states, including Uttar Pradesh, Punjab, West Bengal, Gujarat, Haryana, Madhya Pradesh, Assam, Andhra Pradesh, Karnataka, and Chhattisgarh. India is the largest producer of spices, pulses, milk, tea, cashew, and jute, and the second-largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton, and oilseeds, with over 50% of the population depending on agriculture for their livelihood.

Financial support from the Government in the form of subsidies has played a critical role in promoting the growth of the agriculture sector. The amount of subsidies has seen a remarkable increase from the pre-pandemic year of 2019-20 when it totalled USD 10 Billion, to an impressive USD 27 Billion in 2022-23.

In addition, India's agriculture exports have witnessed significant growth, reaching a record-high of USD 50.2 Billion in 2021-22. This growth highlights India's potential as a major player in the global agriculture market and contributes to the country's overall economic development. Moreover, the sector is projected to grow by 3.5% in 2022-23, reflecting India's commitment to sustainable agricultural practices and modernisation of the sector.

Overall, India's impressive achievements in the field of agriculture are a testament to its capacity to emerge as a significant force in this sector. This can contribute to the country's economic growth and development, while also helping to address global food security challenges.

### Government Initiative (Budget Highlights)

The agriculture sector is of utmost importance to India's food security, as it accounts for 15% of the country's GDP, with 50% of the population engaged in agricultural activities. The Government has implemented initiatives to boost agriculture in India. The Union Budget 2023-24 has increased funding for agriculture, with the Ministry of Agriculture and Farmers Welfare receiving ₹ 1.25 Lakh Crores for various schemes.

The Government has taken the following initiatives for the agricultural sector:

- The Digital Agriculture Mission, initiated by the Central Government, will be provided with ₹ 450 Crores
- About ₹ 600 Crores will be allotted for promoting the agriculture sector through technology
- The Pradhan Mantri Garib Kalyan Yojana will be extended for another year. This scheme was originally introduced to provide free rations to 80 Crores people during the Covid-19 pandemic
- The budgetary allocation for the development of the horticulture sector has been increased to ₹ 2,200 Crores
- The Union Government has increased the budget to ₹ 1,623 Crores to address food and nutritional security
- An allocation of ₹ 459 Crores has been made to promote 'Natural Farming', which aims to support 1 Crore farmers in the next 3 years and establish 10,000 bio-input research centres across India
- The Agriculture Accelerator Fund has been formulated with an allocation of ₹ 500 Crores over 5 years to promote agri-startups led by young entrepreneurs
- 'Aatmanirbhar Krishi' and 'Aatmanirbhar Bharat' initiatives are meant to ensure the food and nutritional security of the nation, under which nano urea has been developed indigenously





Management Discussion and Analysis (Contd.)

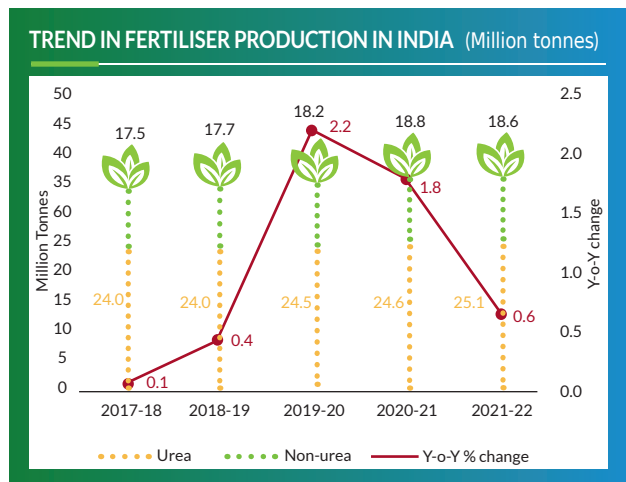
- The PM-KISAN scheme is set to receive an allocation of ₹ 60,000 Crores for 2023-24
- ‘Sahkar se Samridhhi’ and ‘Atmanirbhar Bharat’ aim to increase farmers’ income and provide them with a better future, thus benefitting the agriculture sector greatly

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1814057>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1881518>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1895533>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1851374>)

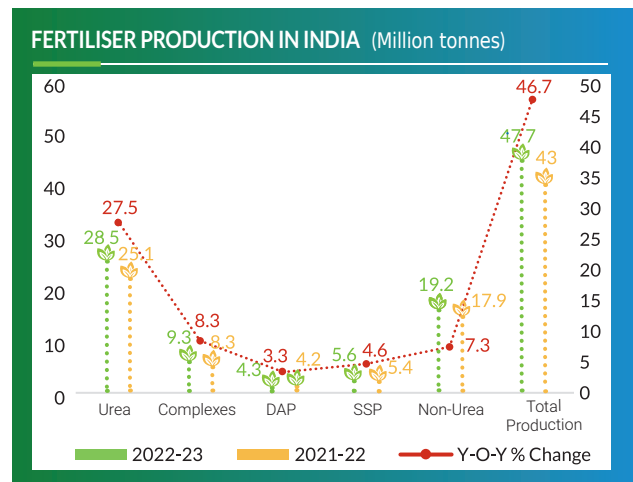
Indian Fertiliser Market

The fertiliser sector is a crucial component of India’s agrarian economy. Globally, India is the third-largest producer and second-largest consumer of fertilisers. During the six-year period 2017-18 to 2021-22, fertilisers output in India increased at a CAGR of 4.13% from 41.5 Million metric tonne (mmt) in 2017-18 to 47.7 Million tonnes in 2022-23. With a rapidly growing population and increasing food demand, the use of fertilisers is imperative to boost crop productivity per hectare. This is especially crucial, given the shrinking availability of arable land due to swift urbanisation.

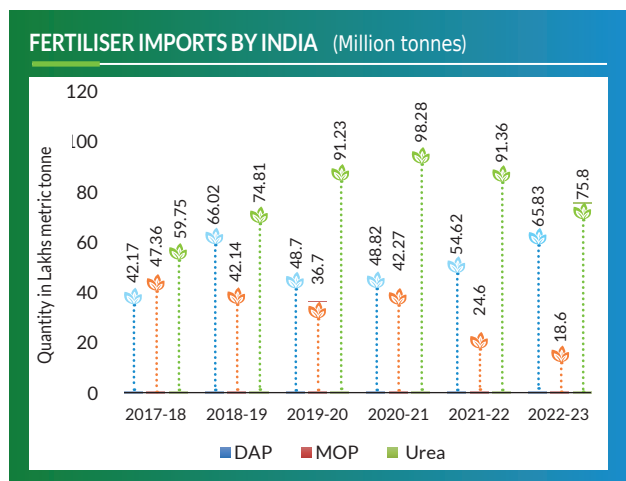
India’s Total Fertiliser Production



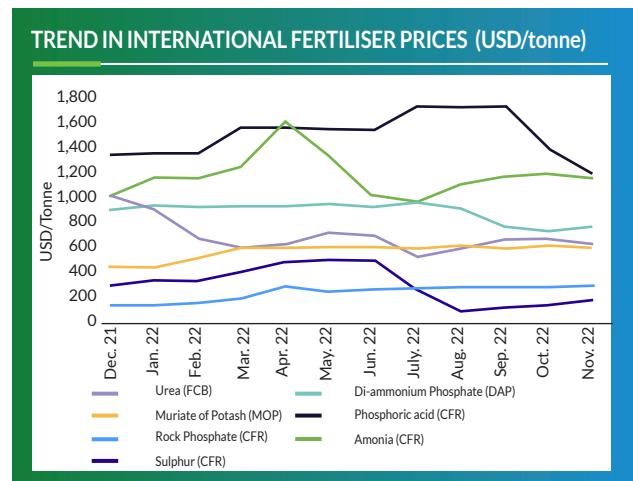
Source: CMIE, CSO.



Source: CMIE, CSO.



Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1810907>



Source: CMIE.

## MANAGEMENT DISCUSSION AND ANALYSIS

To tackle the challenges of low productivity and quality of agricultural output, the Indian Government has provided subsidies, aimed at incentivising farmers to increase consumption of fertilisers. The fertiliser industry in India has great potential for growth, as historical data has shown strong momentum in fertiliser consumption. Moreover, the disparities in fertiliser usage among different states in India present an excellent opportunity to address this gap, and further increase fertiliser usage, leading to even greater growth and success for the industry.

### Fertiliser Imports by India

India's imports of fertilisers during year 2022-23 was led by urea with 75.8 Lakhs metric tonne. Followed by DAP at 65.83 Lakhs metric tonne and MOP at 18.6 Lakhs metric tonne. Urea imports over the years have increased, while peaking in the year 2019-20 after which they have been subsiding. Imports of DAP have been range bound between 42.17 Lakhs metric tonne to 66.02 Lakhs metric tonne. While the imports of MOP have witnessed a decline over the years.

### Import Prices of Raw Materials and DAP for India

The 2022-23 period witnessed a significant surge in international fertiliser and raw material prices. This growth in prices can be attributed to supply disruptions and logistical challenges. Phosphoric acid recorded an average price of USD 1,415 per tonne, indicating a growth rate of 16.3%. Ammonia, on the other hand, was priced at USD 1,160.3 per tonne, exhibiting a substantial growth rate of 64.6%. DAP (CFR) experienced a minor growth of 0.32% with a price of USD 741 per tonne, while urea saw a decrease of 8.75% with a price of USD 646.67 per tonne. MOP (CFR) witnessed a remarkable growth rate of 110.71%, priced at USD 590 per tonne. Sulphur, however, faced a decline of 40.8% with a price of USD 152.67 per tonne. Rock phosphate (CFR) showed strong growth of 107.6% with a price of USD 299 per tonne. Overall, international prices experienced a growth ranging from 20% to 120% during this period.

Due to India's heavy reliance on fertiliser imports to meet its needs, domestic fertiliser prices are closely linked to global prices. Consequently, to prevent farmers from bearing the brunt of price hikes and to avoid disruption in agricultural production, the Government offers subsidies on fertilisers to farmers through manufacturers. The fertiliser sector is also being impacted by the surge in natural gas prices caused by the Russia-Ukraine crisis, as natural gas is a critical raw material for the sector.

(Source: Care Edge Research India - Fertiliser Industry Update)

### Company Overview

Paradeep Phosphates Limited (referred to as 'Paradeep Phosphates' or 'PPL' or 'The Company') is the second-largest privately-owned phosphatic company in India, boasting a robust capacity of 3 Million Metric Tons per annum for producing finished fertilisers such as NPK, DAP, and urea. Originally established as a joint venture between the Government of India and the Republic of Nauru, the Company later became a public sector enterprise in 1993. In 2002, the Government of India divested close to 80% of its stake in PPL in favour of Zuari Maroc Phosphates Private Limited. In May 2022, PPL completed its initial public offering (IPO) in which the Government of India divested its residual stake of 19.55% and the Company used part of the proceeds to acquire the 1.2 Million MT fertiliser plant in Goa. Post IPO, Zuari Maroc Phosphates Private Limited holds a 56.10% stake in PPL.

Paradeep Phosphates has its manufacturing units in Paradeep, Odisha, and Zuarinagar, Goa that are strategically located near the ports and cater to the heavier phosphatic fertiliser consuming states of India. With its cutting-edge technology and world-class infrastructure, the Company is committed to deliver high-quality fertilisers that help farmers achieve optimal yields and enhance agricultural productivity. PPL sources its raw materials globally and sells finished fertilisers under the brand names 'Jai Kisaan' and 'Navratna' to over 8 Million farmers across 15 states in India.

### Performance Highlights in 2022-23

	March 23	March 22
Production (Million metric tonne)	2,032,516	1,247,178
Revenue from Operations (₹ Million)	133,407	78,587
PBT (₹ Million)	4,257	5,344
PAT (₹ Million)	3,037	3,978

The revenue from operations in 2022-23 were ₹ 133,407 Million showcasing a jump of 69.76% from the year 2021-22. The total output of fertiliser in 2022-23 was 2,032,516 Million metric tonne showcasing a jump of 63% as compared to the previous year.

The Profit Before Tax in 2022-23 was reduced by 20.34% to ₹ 4,257 Million as compared to the previous year. The Profit After Tax too reduced by 23.66% as compared to the previous to ₹ 3,037 Million. This reduction was primarily due to changes in subsidy rates in fourth quarter of the year 2022-23.

In terms of the product mix, DAP comprised approximately 33.93% of the manufactured portfolio of PPL in 2022-23.



## Management Discussion and Analysis (Contd.)

Production in '000 MT	2022-23	2021-22
DAP	675	722
N-20	595	380
Other fertilizers	763	145
Total Fertilisers	2,033	1,247

**Analysis of Financial Performance**

The analysis in this section relates to the consolidated financial results of the year ended 31<sup>st</sup> March 2023. The financial statements of Paradeep Phosphates and its joint venture are prepared as per the Indian Accounting Standards (referred to as 'Ind AS'), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

**Revenue**

(In Crores)	2022-23	2021-22	% Change
Operating Revenue	13,340.72	7,858.72	69.76
Other Income	91.07	39.27	131.91
Total Revenue	13,431.79	7,897.99	70.07

**Revenue from Manufactured Products and Traded Products**

(In Crores)	2022-23	2021-22	% Change
Manufactured Products	12,642.72	6,591.87	91.79
Traded Products	698.00	1,266.85	(44.90)
Operating Revenue	13,340.72	7,858.72	69.76

**Other Income**

(In Crores)	2022-23	2021-22	% Change
Other Income	91.07	39.27	131.91

Other income went up on account of the reversal of excess provision written back.

**Cost of Materials**

(In Crores)	2022-23	2021-22	% Change
Cost of Material Consumed	10,439.70	5,246.22	98.99
Purchase of Stock in Trade	182.26	1,428.28	(87.24)
Changes in Inventories	(8.78)	(393.24)	(97.77)
Total Materials	10,613.18	6,281.26	68.97
Operating Revenue	13,340.72	7,858.72	69.76
Cost of Materials/ Operating Revenue	79.55%	79.93%	

**Employee Benefits**

(In Crores)	2022-23	2021-22	% Change
Employee Benefits	213.20	138.51	53.92
% of Total Revenue	1.59%	1.75%	

**Finance Costs**

(In Crores)	2022-23	2021-22	% Change
Finance Costs	291.24	85.54	240.47
% of Revenue	2.17%	1.08%	

**Depreciation and Amortisation**

(In Crores)	2022-23	2021-22	% Change
Depreciation and Amortisation	175.15	90.46	93.62
% of Revenue	1.30%	1.15%	

**Other Expenses**

(In Crores)	2022-23	2021-22	% Change
Other Expenses	1,713.35	767.84	123.14
% of Revenue	12.76%	9.72%	

**Income Tax**

(In Crores)	2022-23	2021-22	% Change
Income Tax	121.98	136.54	(10.66)
Profit Before Tax	425.66	534.38	(20.34)
Tax as % of Profit Before Tax	28.66 %	25.55%	

## MANAGEMENT DISCUSSION AND ANALYSIS

### Key Financial Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	% Change
Current Ratio (in Times)	Total Current Assets	Total Current Liabilities	1.10	1.02	8%
Debt-Equity Ratio (in Times)	Total Borrowings	Total Equity	1.32	1.33	0%
Debt Service Coverage Ratio (in Times) (Note A)	Earning for Debt Service = Profit for the Year + Interest Expenses + Depreciation and Amortisation Expenses + Other Non-Cash Adjustments	Debt Service = Interest + Principal Repayments	1.24	2.79	(56)%
Return on Equity Ratio (In %) (Note B)	Profit for the Year	Average Total Equity	10.60%	19.63%	(46%)
Inventory Turnover Ratio (in Times)	Revenue from Operations	Average Inventory	5.89	4.92	20%
Trade Receivables Turnover Ratio (In Times) (Note C)	Revenue from Operations	Average Trade Receivables	5.68	7.35	(23%)
Trade Payables Turnover Ratio (In Times)	Purchase of Raw Materials and Traded Goods	Average Trade Payables	5.16	4.77	8%
Net Capital Turnover Ratio (In Times) (Note C)	Revenue from Operations	Average Working Capital (i.e. Total Current Assets Less Total Current Liabilities)	37.88	24.20	56%
Net Profit Ratio (In %) (Note D)	Profit for the Year	Revenue from Operations	2.28%	5.07%	(55%)
Return on Capital Employed (In %) (Note E)	Profit Before Tax and Finance Costs	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities	8.70%	11.76%	(26%)
Return on Investment (In %)	Income Generated from Invested Funds	Average Investments	2.04%	2.00%	2%

#### Notes:

- The % change is primarily on account of increase in debt to be serviced during the year.
- The % change is primarily on account of lower profits earned during the year coupled with increase in average equity.
- The % change is primarily on account of increase in turnover coupled with better working capital management.
- The % change is primarily on account of lower profits earned as against higher revenue during the year.
- The % change is primarily on account of lower profits earned against higher capital employed during the year.

## Management Discussion and Analysis (Contd.)

### Outlook

Fertilisers have been a crucial factor in the success of India's green revolution and subsequent self-sufficiency in food-grain production. The increased use of fertilisers has made a significant contribution to sustainable food-grain production in the country.

The agriculture sector has been a bright spot for the Indian economy, and the demand for fertilisers is expected to remain strong due to higher Minimum Support Prices (MSP) for kharif and rabi crops in the marketing season of 2022-23. Furthermore, the continued upfront subsidy support for fertilisers, including urea and nutrient-based subsidies, worth ₹ 1.75 Lakh Crores for the year 2023-24, is likely to boost the fertilisers industry and the agriculture sector. In addition, it is also set to take care of the surge in input commodity prices.

Moreover, the continuation of the Nutrient-Based Subsidy (NBS) amounting to ₹ 51,875 Crores for the rabi season of 2022 (from October 01, 2022 to March 31, 2023) was aimed to sustain the momentum of the fertilisers industry and agriculture sector, while protecting farmers from the cost burden of input commodities. The direct payment of MSP to farmers are expected to enhance their credit availability, leading to increased fertiliser demand, and encourage the use of complex and organic fertilisers.

With the capacity expansion to 3 MMTPA and the backward brownfield integration undertaken to expand the capacity of phosphoric and sulphuric acids, PPL foresees the benefits of operating at a large scale. The Company looks to leverage growth by expanding the product portfolio, penetrating new markets, and deepening the existing markets.

### Opportunities

The non-urea fertiliser sector in India presents promising growth prospects, driven by the imbalanced use of urea (Nitrogen) among farmers, resulting in disruptions to the soil's NPK balance. The ideal NPK mix for optimal soil health and crop growth is 4:2:1, whereas the current ratio in

2019-20 was 6.6:2.7:1.0. Through Government initiatives to enhance awareness about soil fertility and promote the use of fertiliser mixtures, the NPK mix is expected to improve to 5.8:2.6:1.0 by 2025-26. This creates a favourable opportunity for non-urea fertilisers to capitalise on this trend. With its strategic positioning, Paradeep Phosphates is well-equipped to leverage the increasing adoption of phosphatic fertilisers.

### Threats

The non-urea fertiliser sector in India has been encountering several challenges. Firstly, there is a lack of awareness among farmers regarding the benefits of non-urea fertilisers, which impedes their adoption rate. In addition, fluctuations in the prices of raw materials used in the production of non-urea fertilisers can affect their profitability. Moreover, the sector is heavily regulated by the Government, and any changes in regulations can impact its growth and viability. The depreciation of the Rupee may also increase the import bill of fertiliser manufacturers, further adding to their costs. The fertiliser sector still relies on subsidies from the Government, and any delay in their disbursement can affect the manufacturers. Hence, addressing these challenges is crucial to sustain the growth and contribution of the non-urea fertiliser sector to the agriculture industry in India.

### Risk and Mitigations

While the products of PPL provide numerous benefits to various industries, handling, storing, and transporting these chemicals can pose several risks. These risks need to be identified and mitigated to ensure the safety of its workers, the public, and the environment. In this context, it is essential to develop a comprehensive risk management plan, which outlines potential hazards and their respective mitigation strategies. This will help to minimise the risk of accidents and ensure the safe and responsible use of the Company's products. The following sections discuss some of the potential risks associated with Paradeep Phosphate and their corresponding mitigation strategies.



## MANAGEMENT DISCUSSION AND ANALYSIS

Sl No	Risks	Description of the Risk	Risk Probability (High/Medium/Low)	Risk Impact (High/Medium/Low)	Risk Mitigation
<b>1.</b>	<b>Strategic Risks</b>				
	Business Model	The business model encompasses the entire value chain of a company and how it manages and generates value for each of its stakeholders.	High	High	PPL's integrated business model includes backward integration, R&D for diversified products, strategic plant locations, and strong partnerships with channels and farms for better value chain control.
	Macro-Economic	Factors, such as global and local demand and supply, inflationary trends, a country's economic growth, and per capita income can impact business operations.	Medium/Low	High/Medium	PPL's agile management processes enable it to adjust strategies and operations, based on macro-economic conditions, including both financial and operational aspects, whether favourable or unfavourable.
	Policy/Regulatory	Government policies on agriculture and subsidies for agri-inputs can impact business operations.	High/Medium	Medium/Low	PPL closely monitors the regulatory environment, applicable to the industry and maintains financial and operational flexibility to minimise the impact of unfavourable regulatory policies.
	Market Competition	Risk-related to competition from peer group companies.	High/Medium	High/Medium	PPL mitigates this risk by leveraging its position as a leading fertiliser manufacturer, ranked second in phosphatic product production in the country. Its 'Jai Kisaan' and 'Navratna' brands have strong brand equity among farmers, Jai Kissan Navratna dealers, and retailers.
<b>2.</b>	<b>Climate &amp; Climate Change Risks</b>				
	Monsoon and Climate Change	Changing weather patterns can hurt agri-input sales.	Medium	High	PPL mitigates this risk by expanding its network in 15 states. Thus, reducing the impact of climatic risk with exposure to different conditions.
<b>3.</b>	<b>Financial Risks</b>				
	Interest Rate Risk	Rising interest rates can limit borrowing options and affect profit margins.	Medium/Low	High	PPL mitigates this risk through lowering costs by paying off long-term debts and maintaining a healthy debt-to-equity ratio.
	Credit Risk		High/Medium	High	PPL assesses creditworthiness, sets limits, monitors collections, manages subsidies, and has an internal system for managing LCs.
	Liquidity Risk		High/Medium	High	PPL maintains a healthy revenue growth and cash flow to mitigate this risk.
<b>4.</b>	<b>Operational Risk</b>				
	Location Risk	Limited locations for production, distribution, and sourcing pose a risk.	Medium/Low	High	PPL acquired Goa plant, expanded its production capabilities to two units, and reduced location risk.



## Management Discussion and Analysis (Contd.)

### Human Resource

- **Diversity Drive:** The Company is dedicated to fostering an inclusive culture, empowering individuals, and enhancing competitiveness. The Board Diversity Policy and unbiased hiring practices bolster this dedication.
- **Nurturing Human Capital:** Lifelong learning nurtures growth, supported by comprehensive training, education grants, and self-learning opportunities that drive continuous advancement.
- **Performance Excellence:** A robust scorecard system fuels exceptional performance and personal growth, cultivating careers for all employees.
- **Employee Well-being:** Beyond mandates, the Company offers comprehensive benefits, safeguarding employees' health and happiness. Various clubs at the Plant, including PPERC, PPOC, and others, enhance engagement through indoor games, swimming, and movies, fostering team-building.
- **Safety Culture:** Vigilant safety committees, regular training (with an average of 28.67% training hours per employee for the year 2022-23), and a safety-focused culture prioritise team well-being.
- **Sustained Growth:** Continuous growth is driven by efficiency and safety. A motivated workforce, achieved through effective recruitment, retention, and training, plays a pivotal role. Diverse engagement programs and harmonious operations support relations. Regular reviews maintain industry alignment, leading to prestigious awards. As of March 31, 2023, there are 2,486 permanent employees and workers.

### Internal Control Systems and their Adequacy

Paradeep Phosphates has implemented an internal control system that is reliable, efficient, and critical to the Company's success. The Company relies on its internal control system

to review its numerous segments and sales operations. The system is crucial in maintaining internal audit controls, which include observing various operations, protecting assets, and complying with regulations. The yearly internal audit covers important areas of business operations identified by a team of experts. Each area is reviewed by internal auditors, the Audit Committee and the Board. The Audit Committee considers the inputs from the internal auditors and gives advice on ways to enhance the internal controls.

### Cautionary Statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements, which involve a number of underlying identified/non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like Covid-19 may pose an unforeseen, unprecedented, unascertainable, and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs, or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

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

**Saroj Kumar Poddar**

Chairman

DIN: 00008654

Date: 17<sup>th</sup> May 2023



# DIRECTORS' REPORT

## To the Members,

Your Directors have pleasure in presenting the Forth first Annual Report of Paradeep Phosphates Limited ("Company") together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March 2023.

### 1. FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	Standalone	
	2022-23	2021-22
Total income	13,431.79	7,897.99
Finance Costs	291.24	85.54
Depreciation	175.15	90.46
Profit before tax	425.66	534.38
Tax expense	121.97	136.54
Profit after tax	303.69	397.84
Other Comprehensive Income	0.69	(0.46)
Total Comprehensive Income	304.38	397.38
Earnings Per Share (Basic & Diluted) ₹	3.89	6.91

### 2. CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY

There was no change in the nature of business of the Company during the year.

### 3. REVIEW OF OPERATIONS

During the financial year, on a standalone basis, the Company recorded operating revenue of ₹ 13,340.72 Crores which is 69.76% higher compared to the revenue for the previous financial year.

The profit before tax for the year ended 31<sup>st</sup> March 2023 was ₹ 425.66 Crores as compared to ₹ 534.38 Crores for the year ended 31<sup>st</sup> March 2022. Net Profit was ₹ 303.69 Crores for the year ended 31<sup>st</sup> March 2023 compared to earlier year's ₹ 397.84 Crores. Total Comprehensive Income stood at ₹ 304.38 Crores for the year ended 31<sup>st</sup> March 2023 compared to ₹ 397.38 Crores for the previous year.

During the financial year your company has added significant capacities through organic as well as inorganic route. This includes completion of revamp of four granulation trains at Paradeep site resulting in a daily average production run-rate of 5000 MT December 2022 onwards, thereby meeting the revamp targets and also completion of the acquisition of the Goa plant which has in turn added 1.2 Million MT to our overall capacity

### 4. Capital Project

#### At Paradeep Plant

- Installation of new Ship unloader at PPL Jetty, Paradeep which is ease for operation and maintenance, environment friendly as dust free and provide for fast unloading. The Erection of the installation started in January 2023 and expected to complete by end of May 2023.
- The Company Completed one of its prestigious expansion project - revamp of the four granulation (DAP/NPK) trains (A, B, C & D) at its Paradeep Unit with object to improve production throughput, improve product quality, and reduce emissions.

Following successful commissioning, production from each train is ramped-up to the optimal level and, following the revamp, daily production volumes combining all four trains exceed 5000 MTPD on a consistent basis, with a product mix of DAP & NP20. Company recorded the highest daily and monthly production volumes during the month of December 22 as a result of production ramp-up, and is preparing to achieve new highs of 150,000 MT monthly & 1.8 Million MT annual production volumes in the next few months and years.

As a result of the revamp, granulometry (between 2 and 4 mm, an average of 90%) as well as the environmental standards (ammonia emissions of 50 mg/NM3 and fluorine emissions of 5 mg/NM3) have both been improved. As a result of improved product quality following the revamp, Company's brand image will be further enhanced on the market. Company's top and bottom lines will increase significantly in the coming years due to the addition of 25% production volume resulting from an increase in production rate through revamp

- The setting up of a new Phosphoric acid Plant was awarded to M/s Thyssenkrupp Industrial Solution India Private Limited/ Prayon (Belgium) to increase our Phosphoric acid annual production by 120,000 MT. The Expected commissioning by July' 23. Further the installation of 4th Evaporator of capacity 350 TPD is under pre-commissioning which will increase annual production of strong Phosphoric acid by 116,000 MT.



- To support the above project with LP steam, power and sulphuric acid the Company is in process of setting up of up of 1500 TPD Sulphuric acid plant along with a 23 MW power plant. The Company has obtained the environment Clearances for project and expected completion by 2025.

#### At Goa Plant

- In order to comply with the revised energy norms set forth in NUP-2015 Policy notified by Department of Fertilizers, Government of India, the Company had conceptualised an Energy Savings Project (ESP) with target Specific Energy Consumption of Urea at 6.1GCal/MT.

Accordingly, the services of M/s CASALE were engaged to carry out the Process Design Package (PDP) for the ESP schemes and their integration. The PDP package has been developed to bring down the Urea Energy to 6.1 GCal/MT.

The retrofit of the Ammonia Converter and installation of the downstream Synthesis Loop Boiler (Phase I) shall be executed in Nov-Dec 2023 and will bring the Urea Energy to 6.4Gcal. MT. The balance interventions (Phase II) as per the PDP shall be executed in May 2025.

In order to further bring down the Urea energy, a new Gas Turbine based Cogeneration plant has been conceptualised to replace the existing Steam Turbine based Cogeneration plant. This will help bring down the Urea Energy to 5.8GCal/MT. This modification shall be executed in May 2025 along with Ammonia plant Phase II modification proposed by Casale in the PDP.

- In addition, a new 5000MT Atmospheric Ammonia Storage tank is proposed to be installed in the plant which would in time, replace the existing Horton Spheres in the plant.
- A new 350 MTPD Sulphuric Acid plant is being conceptualised which would enable PPL – Goa Unit to produce high NPS grades (such as 20-20-0-13) as well as provide Power and thereby reduce the dependency on the Power Grid. We would also be able to cater to Sulphuric Acid requirements in the nearby markets.
- The existing material storage facilities are being augmented to facilitate larger storage for Phosphoric Acid, Potash and filler material. This will help in obtaining larger parcel of imports as well as provide adequate buffer for continuous production.

- As a part of ESG, Solar power shall be generated from the roof-top of the Administration building as well as from a floating Solar power plant over the dam water reservoir located near the factory. The floating power plant will also help reduce the evaporation losses.
- Other infrastructure like renovation of the administration building, a new factory Gate and new Colony for employees is being conceptualised.

#### 5. TRANSFER TO RESERVES

Board of Directors has not proposed to carry any amount to any reserve account during the year.

#### 6. DIVIDEND

Your Board of Directors have recommended dividend of Rupee 0.50 per equity share of face value of ₹ 10 each, for the Financial Year 2022-23. The dividend distribution policy is available on the website of the company i.e. <https://www.paradeepphosphates.com/investors/corporate-governance#policies>

#### 7. SHARE CAPITAL

##### Authorised Capital

The authorised share capital of the Company as on 31<sup>st</sup> March 2023 was ₹ 10,000,000,000 (Rupees one thousand crores) divided into ₹ 9,000,000,000 (Rupees nine hundred crores) consisting of 900,000,000 (ninety crores) equity shares of face value of ₹ 10 each, and ₹ 1,000,000,000 (Rupees hundred crores) consisting of 10,000,000 (one crore) 7% non-cumulative redeemable preference shares of face value of ₹ 100 each”

#### 8. INITIAL PUBLIC OFFER (IPO) OF EQUITY SHARES

The Equity Shares of your Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) with effect from 27<sup>th</sup> May 2022, pursuant to Initial Public Offering (“IPO”) of the Company by way of a Fresh Issue and an Offer for Sale.

#### 9. SAFETY, HEALTH, ENVIRONMENT

The Company continues its environment and safety initiatives and has successfully implemented internationally recognised Environment & Safety Standards and is an ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, Protect & Sustain certified organisation and NABL accreditation ISO/IEC 17025:2017 from The National Board for Testing & Calibration Laboratories



The Company is commitment to protect environment as a corporate objective by implementing the new initiatives continuously. It includes mechanised auto wheel wash system, IP Surveillance camera covering all Stacks & plant and connected to RT-DAS server of OSPCB as a new initiative in addition to continuous Ambient Air Quality Monitoring Stations, Continuous emission Monitoring System for Sulphuric acid, Phosphoric acid & DAP/NPK Plant's Stack and Continuous effluent monitoring system connected to RT-DAS server of OSPCB /CPCB..

The Company is conscious of the importance of environmentally clean and safe operations to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible. Generation of green power from waste heat of Sulphuring acid plant leading to Zero fuel consumption, Installation of 255 KW Solar power in township, Zero Effluent Discharge maintained during the non-monsoon at Paradeep plant.

The Company has initiated the projects towards circular economy, this system ensures that waste is utilised in an environment friendly manner. New technologies and initiatives are also explored to manage the waste more effectively. It includes development of Zypmite and setting up manufacturing facility at PPL unit, use of NPG in road construction in consultation with of CPCB & CRRI which is approved by Indian Road Congress (IRC). The Company has tied with IMMT, Bhubaneswar for conversion of Phospho Gypsum in to alkaline material by mixing banana peduncle biomass in powder form to utilise in soil conditioning. The Company has tied with CSIR-National Environmental Engineering Research Institute (CSIR-NEERI), Nagpur to carry out Comprehensive study on Management of Solid Wastes and Wastewater at Goa unit. Trainings are also imparted to the employees on the importance of waste management and encouraged them to adopt practices that reduce waste generation.

The Company puts continuous efforts towards creating a positive impact on our premises & surroundings to maintain the biodiversity. The vast green cover occupying more than 39 % of the total area and numerous water bodies make for a comfortable habitat for terrestrial and aquatic lives. Migratory Birds are arriving every year in the PPL premises, more than thirty thousand with fifty-nine variety of species. Dept. of Forest, Govt. of Odisha is conducting Birds census every year in the PPL premises. Further the Company's

Fertilizer Plant at Goa continues to be a 'Zero Effluent Discharge Plant' since 1990 and the man-made green belt around the Complex continues to flourish and attract a variety of birds and animals.

The Company has been putting all efforts for reduction in end-user Plastic waste and setting an example for other companies. The Company is closely working with GEM Enviro Management Private Limited which is a Waste Management Agency (WMA) that specializes in collection and aggregation of all kinds of packaging waste in a professional and organised manner backed by technology on PAN India basis.

The Company is working with GEM not just to fulfil our EPR (Extended Produced Responsibility) compliances under guidelines stipulated under PWM Rule 2016, amended 2018, but be the torchbearer when it comes to managing postconsumer plastic waste. Under our EPR Activity, the plant at Goa, in 2022-23 has diverted approximate 1440 tonnes of Post-Consumer Plastic Waste from landfills to recycling and thus contributing towards a greener and cleaner environment.

#### **Health and Hygiene:**

The Company accords high priority to health and hygiene monitoring at work place. Employees' health assessment and occupational disease monitoring is done through periodical medical check-up. A well-equipped hospital in the campus at Paradeep works round the clock to provide health services to the employees and their families. Necessary training is imparted to employees and workers to enhance their awareness towards healthrelated matters.

*The Company has initiated to make DEFIBRILLATION facility available at Health Centre at Goa Plant by procuring Automated External Defibrillator which can be used in the event of severe cardiac conditions like cardiac arrest, of whose incidences have been very high in recent time. This will be followed by extensive awareness/training across the industry.*

The Company continues to be certified for "Excellence Certification of Protect & Sustain" stewardship from International Fertilizer Association. The Company conducted various activities related to Safety, Health & Environment during National Safety Week, National Road Safety Month, World Environment Day, National Fire Service Day and Chemical Disaster Prevention Day.

The Company has initiated implementation of Process Safety Management so as to identify process related risks if any. Safety leadership training programme for

Senior leaders in Goa Plant was conducted through British Safety Council to further strengthen and improve the safety culture. Executives from Paradeep plant participated three days' workshop on "Chemical Disaster Risk Management" Disaster Management Institute, Bhopal

"DIGITAL MASS COMMUNITY SAFETY AWARENESS" was conducted by Goa plant to generate safety awareness within general public on simple precautions to be taken in the event of ammonia gas emergency in various panchayat areas on giant LED screen with vehicle, during the Safety week celebration. Simple precautions to be taken in the event of ammonia gas emergency were played on FM channel to educate and create awareness. Two days training programme on Occupational Health & Safety, through the Inspectorate of Factories & Boilers, was conducted for the employees & workers

The Company Received Kalinga Safety Excellence Award-2022 and 13th "Exceed Award" 2022 on OSH under Platinum Category in recognition of exemplary efforts in maintaining best safety practices & culture. The Greentech International EHS Award- 2023 was received by the Company for outstanding achievement in Health & Safety

#### Industrial Relations

The Company undertakes a plethora of HR initiatives starting from talent acquisition, development and retention for longer period. The Company is declared as a Public Utility Service under the provisions of Industrial Dispute Act. The Employee Engagement Initiatives are customised to engage the employees in a positive and constructive way to get maximum satisfaction at the work place. QC/ Kaizen Team have been increased from 8 to 18 nos. as a part of Employee Engagement Initiative. Training calendar is designed to fill the identified Competency gaps of the employees. Skill gap is assessed taking into account of the direct input by employees on the basis of challenges in his function as depicted by him. The change in approach is to listen to the voice of employees with respect to their functional requirement. Succession planning and Leadership coaching are conducted for the high performers. Balance Score Card, the latest and best form of PMS, is adopted to appraise the performance of employees in effective and efficient manner.

The wage settlement of regular Staff category of employees has expired on 31<sup>st</sup> December 2021 and wage settlement of Contract labour has expired w.e.f. 31<sup>st</sup> March 2021 and consequent to the

Charter of Demand submitted by the representing contract workers unions, the concerned contractor establishment have submitted their counter COD to PPDMU & PPMU. In between, wage settlement for Bagging Contract workers is completed and the negotiation process for other areas are under progress.

PPL Hospital was declared as authorised Private Covid Vaccination Centre by the Govt. of Odisha and the facility for vaccination is still available at our Hospital for future needs.

#### 10. ANNUAL RETURN

Annual Return referred to in Section 92(3) of the Companies Act, 2013 will be available on the website of the Company <https://www.paradeepphosphates.com/investors/corporate-governance#annual-returns>

#### 11. a) BOARD MEETINGS

During the year, nine Board Meetings were held on 29<sup>th</sup> April 2022, 6<sup>th</sup> May 2022, 13<sup>th</sup> May 2022, 20<sup>th</sup> May 2022, 24<sup>th</sup> May 2022, 28<sup>th</sup> May 2022, 2<sup>nd</sup> August 2023, 4<sup>th</sup> November 2022 and 31<sup>st</sup> January 2023. The details of the composition of the Board and attendance of the Directors at the Board Meetings, are provided in the Corporate Governance Report attached as **Annexure - A**.

#### b) AUDIT COMMITTEE

During the year under review, six Audit Committee Meetings were held on 28<sup>th</sup> May 2022, 26<sup>th</sup> July 2022, 2<sup>nd</sup> August 2022, 4<sup>th</sup> November 2022, 23<sup>rd</sup> January 2023 and 31<sup>st</sup> January 2023 and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report attached as **Annexure- A**.

#### 12. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable





and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- c) 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) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 13. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as specified in Section 149(6) of the Act and shall abide by the Code for Independent Directors as specified in Schedule- IV of the Act.

### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company was having 8 directors as on 31<sup>st</sup> March 2023 with seven Non-Executive Directors including four independent directors and a Managing Director.

The shareholders of the Company by way of postal Ballot resolution appointed Mr. Subhrakant Panda as an Independent Director to hold office for a term of three (3) years from 31<sup>st</sup> January 2022 up to 30<sup>th</sup> January 2025, not be liable to retire by rotation.

Mr. Ujjwal Kumar ceased to be a Director of the Company with effect from 27<sup>th</sup> May, 2022 on cessation of nomination.

Mr. Marco Philippus Ardeshir Wadia ceased to be a Director of the Company with effect from 19<sup>th</sup> September 2022 on completion of his term as Independent Director of the Company.

The members of the Company on the recommendation of Board approved the reappointed Mr. N Suresh Krishnan as a Managing Director and and Key

Managerial Personnel of the Company for a period of 3 (Three) years with effect from 16<sup>th</sup> February 2023.

Mr. Bijoy Kumar Biswal has been re-appointed as Chief Financial Officer and Key Managerial Personnel w.e.f. 1<sup>st</sup> April 2023

There was no change in Company Secretary of the Company during the year under review.

Mr. Saroj Kumar Poddar is liable to retire by rotation at the ensuing Annual General Meeting of the Company.

In the opinion of the Board of Directors, all the Independent Directors possess requisite expertise and experience on the roles, rights and responsibilities of Independent Directors.

A certificate obtained by the Company from a company secretary in practice, confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority, is enclosed as **Annexure "D"** to this Report.

### 15. DIRECTORS TRAINING & FAMILIARIZATION

The Company, in compliance with Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulates programmes to familiarize new Independent Directors inducted on the Board with the Company. All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Senior management personnel of the Company presents to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc.,

The Statutory Auditors and Internal Auditors of the Company presents to the Board Members on Financial Statements and Internal Controls including presentation on regulatory changes from time to time.

During the year Independent Directors attended the programme which was scheduled on 24<sup>th</sup> March 2023. The Management made presentation to the Independent Directors on the industry overview and business operations, the overview of company's manufacturing facilities at Paradeep, Odisha and Goa.





## 16. PERFORMANCE EVALUATION

Pursuant to the provisions contained in Companies Act, 2013 and Schedule IV (Section 149(8) of the Companies Act, 2013, the following performance evaluations were carried out;

- a. Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;
- b. Performance evaluation of the Board, its committees and Independent Directors by the Board of Directors; and
- c. Performance evaluation of every Director by the Nomination and Remuneration Committee.

The evaluation process covered adequacy of the composition of the Board and its Committees, disclosure of information to the Board and Committees, performance of duties and obligations, governance parameters, participation of the members of the Board / Committees and fulfilment of independence criteria and maintaining independence from the management by the Independent Directors.

Based on the evaluation done by the Directors, the performance of the Board, its Committees and the Directors was satisfactory and the quality, quantity and timeliness of flow of information between the management and the Board was appreciable.

## 17. NOMINATION AND REMUNERATION POLICY AND DISCLOSURE ON REMUNERATION

Based on the recommendation of the Nomination and Remuneration Committee, the Board has approved the Nomination and Remuneration Policy. The Nomination and Remuneration Policy provides for constitution & role of Nomination and Remuneration Committee, guidelines on procedure for appointment / removal of Director, Key Managerial Personnel or at Senior Management level, recommendation for remuneration, compensation and commission to be paid to the Managing Director / Whole time Director / Non – Executive Directors and carrying out evaluation of performance of every Director and Key managerial personnel.

The Nomination and Remuneration Policy is placed on the website of the Company <https://www.paradeepphosphates.com/investors/corporate-governance#policies>.

The disclosure related to the employees under Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure 'H'** to this Report.

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, shall form part of this report. However, in terms of Section 136 of the Companies Act, 2013, this report is being sent to all the members of the Company excluding the aforesaid information. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Corporate Office of your Company.

## 18. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

“Zuari Yoma Agri Solutions Limited”, Myanmar continued as a 50:50 joint venture with Yoma Strategic Holdings Limited. Statement containing salient features of the financial statement of the joint venture under Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure-I**.

## 19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 of the Act and Companies CSR (Policy) Rules, 2014, your Company has constituted a CSR Committee of the Board. Based on the recommendation of the Committee, the Board has formulated a CSR Policy for the Company indicating the CSR activities, modalities of execution, implementation schedule, and amount of expenditure and monitor the Policy from time to time. A detailed Report on CSR activities undertaken by the Company during the year, containing the information in the prescribed format, is annexed hereto as **Annexure- G** and forms part of this Report.

## 20. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a vigil mechanism through Whistleblower Policy and the Audit Committee of the Company is responsible to review periodically the efficient and effective functioning of the vigil mechanism, to deal with instances of fraud and mismanagement and suspected violations of the Company's Code of Business Conduct and Ethics, if any.

The Whistleblower Policy provides for adequate safeguards against victimisation of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of



the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Whistleblower Policy is placed on the website of the Company i.e., [https://www. paradeepphosphates. com/investors/corporate-governance#policies](https://www.paradeepphosphates.com/investors/corporate-governance#policies).

## 21. RISK MANAGEMENT

The Company has the requisite processes and procedures in place to identify and assist in minimising exposure to risk that threaten the existence of the Company. The Board has put in place a risk management policy to monitor and review potential risks. The brief detail about this policy may be accessed on the Company's website at the weblink: <https://www.paradeepphosphates.com/investors/corporate-governance#policies>

The heads of departments regularly review and assess the departmental policies/procedures and identify risks, perform analysis of the frequency and severity of potential risks, select the best techniques to manage risk, implement appropriate risk management techniques and monitor, evaluate and document results.

## 22. LOANS, GUARANTEES OR INVESTMENTS

The details of loans given, Corporate guarantees and investments made by Company under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

## 23. UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder there is no unclaimed / unpaid amounts or shares were transferred to the Investor Education and Protection Fund (IEPF).

## 24. RELATED PARTY TRANSACTIONS

Transactions entered by the Company with its related parties were on an arm's length basis and/or ordinary course of business. Suitable disclosures as required under Ind AS-24 have been made in Note No. 33 to the Financial Statements. The Company had not entered into any arrangement/ transaction with related parties which is material in nature as per the Companies Act, 2013 and accordingly the disclosure of Related Party Transactions in Form AOC-2 is not applicable.

## 25. DEPOSITS

The Company has not accepted any deposits in the past or during the year.

## 26. STATUTORY AUDIT

The Statutory Auditors, M/s. BSR & Co. LLP, Chartered Accountants, were re-appointed as Statutory Auditors of thr Company at the 40th AGM held on 12th September 2022 to hold office till the conclusion of 45<sup>th</sup> Annual General Meeting of the Company.

## 27. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company re-appointed M/s. B. C Debata & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the year 2022-23. The Secretarial Audit report is annexed herewith as **Annexure - E**.

## 28. COST RECORDS & COST AUDIT

The Company is required to maintain cost records as per Section 148(1) of the Companies Act, 2013, and accordingly such accounts & records are made and maintained. The Company appointed M/s. S. S. Sonthalia & Co., Cost Accountants, as the Cost Auditor for the year 2022-23. The Cost Audit Report for the year ended 31<sup>st</sup> March 2022 was filed by the Company with the Ministry of Corporate Affairs on 8<sup>th</sup> August 2022.

## 29. AUDITORS' REPORT

There were no qualifications, reservations or adverse remarks made by the Statutory Auditor, Secretarial Auditor and Cost Auditor in their respective reports. No frauds have been reported by the Auditors during the year.

## 30. MATERIAL CHANGES & COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## 31. SIGNIFICANT & MATERIAL ORDERS

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.



### 32. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. The Company has designed and put in place adequate Standard Operating Procedures and Limits of Authority Manuals for conduct of its business, including adherence to Company's policies, safeguarding its assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. The Company uses a state-of-the-art ERP (SAP) system to record data for accounting and managing information with adequate security procedure and controls.

### 33. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### 34. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013. The Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March 2023 forms part of the Annual Report.

### 35. EMPLOYEE STOCK OPTION SCHEME

Our Company has formulated an employee stock option scheme, namely, PPL Employees Stock Option Plan 2021, ("ESOP 2021"). ESOP 2021 was approved pursuant to a Board resolution and Shareholders' Resolution, each dated 10<sup>th</sup> August 2021, and amended pursuant to a Board resolution dated 29<sup>th</sup> April 2022.

In terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ('SEBI Regulations'), the Nomination & Remuneration Committee of Board, inter alia, administers and monitors the PPL Employee Stock Option Plan 2021 of your Company. A certificate from the Secretarial Auditor on the implementation of your Company's

Employees Stock Option Scheme will be placed at the ensuing Annual General Meeting for inspection by the Members. Further disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, read with SEBI circular dated 16<sup>th</sup> June 2015 for the financial year ended 31<sup>st</sup> March 2023 are available on website of the Company.

### 36. DISCLOSURE AS PER SECTION 22 OF 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 & Redressal) Act, 2013 and all the employees are covered under this Policy. Awareness programme on Legislations and remedies related to sexual harassment of women at workplace has been conducted. No sexual harassment complaint was received during the year. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under this Act.

### 37. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure F** attached to this report.

### 38. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application was made or any proceedings filed under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2022-23.

### 39. CORPORATE GOVERNANCE

The Company is committed to good corporate governance practices. The Board endeavors to adhere to the standards set out by the Securities and Exchange Board of India (SEBI) on corporate governance practices and accordingly has implemented all the mandatory stipulations.



A detailed Corporate Governance Report in line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the corporate governance practices followed by the Company which given as **Annexure - A** and the certificate from Practicing Company Secretary relating to compliance of mandatory requirements is given as **Annexure – B**. Declaration by the Managing Director is enclosed as **Annexure “C”**. A statement regarding opinion of the Board, with regard to integrity, expertise and experience (including proficiency) of the Independent Directors appointed during the year is given in Corporate Governance Report annexed as **Annexure A**. Management Discussion and Analysis report for the FY 2022-23, forms part of the Annual Report.

#### 40. BUSINESS RESPONSIBILITY REPORT

In pursuance of the provisions of the Listing regulations, the Business Responsibility and Sustainability Report for the Financial Year 2022-23, forms part of the Annual Report.

#### 41. GENERAL

No disclosure or reporting is made with respect to the following items, as there were no transactions during 2022-23:

- The issue of equity shares with differential rights as to dividend, voting or otherwise
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme except Employees' Stock Options Schemes referred to in this Report;

- Managing Director and Chief Executive Officer has not received any remuneration or commission from any of its subsidiaries;
- There was no revision in the financial statements;
- The Company has not made any downstream investments during 2022-23 and hence certificate under FEMA is not required; a
- There was no material subsidiary during the 2022-23
- There were no one time settlement against any of the loan availed by the Company from the Banks or Financial Institutions during the Financial Year 2022-2023

#### 42. ACKNOWLEDGEMENT

Your Board of Directors take this opportunity to acknowledge the continued support and co-operation extended by the Shareholders. The Board wishes to place on record their appreciation of the continued support and cooperation extended by the Consortium of Bankers, East Coast Railway, Paradeep Port Trust, Government Departments both at the Centre and the States, Suppliers, Dealers and above all, Farmers. The Board also wishes to place on record their deep appreciation of the excellent services rendered by the Employees at all levels during the year.

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

**Saroj Kumar Poddar**

Chairman

DIN: 00008654

Date: 17<sup>th</sup> May 2023



# ANNEXURE- A TO THE BOARD'S REPORT

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The philosophy of the Company on Corporate Governance is aimed at safeguarding and adding value to the interests of various stakeholders and envisages attainment of the highest levels of transparency and accountability in all areas of its operations and interactions with its stakeholders.

### 2. BOARD OF DIRECTORS

The Board of Directors with an optimum combination of Executive, Non-Executive and Independent Directors meets at regular intervals.

During the year, nine Board Meetings were held on 24<sup>th</sup> April 2022, 6<sup>th</sup> May 2022, 13<sup>th</sup> May 2022, 20<sup>th</sup> May 2022, 24<sup>th</sup> May 2022, 28<sup>th</sup> May 2022, 2<sup>nd</sup> August 2022, 4<sup>th</sup> November 2022 and 31<sup>st</sup> January 2023.

Attendance of each Director at the Board of Directors' meetings and at the previous Annual General Meeting along with the number of other companies and committees where the Director is a Chairman/Member is given hereunder:

Name of Director	Category <sup>A</sup>	Skills/ expertise/ competence	No. of Director- ships in other companies <sup>†</sup> as on 31 <sup>st</sup> March 2023	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies <sup>**</sup> as on 31 <sup>st</sup> March 2023		Directorship in other Listed entity	
							Chairman	Member	Name	Category <sup>A</sup>
Saroj Kumar Poddar	Chairman / NED	Business Management Leadership and General Management and Industry Experience	11	8	Nil	Yes	0	0	Chambal Fertilisers and Chemicals Limited	NED
									Texmaco Infrastructure & Holdings Limited	NED
									Texmaco Rail & Engineering Limited	NED
									Zuari Agro Chemicals Limited	NED
									Zuari Industries Limited	NED
N. Suresh Krishnan	MD	Corporate Finance, Corporate Strategy, Project Planning, Operations and Business Development. Leadership and Industry Experience	3	9	Nil	Yes	0	0	Mangalore Chemicals & fertilizers Limited	NED
Soual Mohamed	NED	General Management and industry experience	1	7	Nil	No	0	0	-	-
Karim Lotfi Senhadji	NED	Risk Management, Finance Skills, Business Management, Leadership Skills	1	2	Nil	No	0	0	-	-



Name of Director	Category <sup>^</sup>	Skills/ expertise/ competence	No. of Directorships in other companies <sup>+</sup> as on 31 <sup>st</sup> March 2023	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies <sup>**</sup> as on 31 <sup>st</sup> March 2023		Directorship in other Listed entity	
							Chairman	Member	Name	Category <sup>^</sup>
Ujjwal Kumar@	NED	General Management and industry experience	NA	4	Nil	NA	NA	NA	NA	NA
Marco Philippus Ardeshir Wadia#	ID	Legal profession having specialised in corporate matters and mergers and acquisitions.	NA	7	Nil	Yes	NA	NA	NA	NA
Kiran Dhingra	ID	Experience in Corporate governance & legal compliances and experience and knowledge in the matters of Safety and Corporate Social Responsibility	4	7	Nil	Yes	0	3	Goa Carbon Limited Astra Micro Wave Products Limited Stovec Industries Limited	ID ID ID
Satyananda Mishra	ID	Experience in governance Corporate risk assessment and strategic analysis	3	9	Nil	Yes	0	2	Ugro Capital Limited	ID
Dipankar Chatterji	ID	Chartered Accountant by profession and is an expert in the field of Finance, Taxation, Accounts and Laws	9	9	Nil	Yes	4	0	Nicco Parks & Resorts Limited Zuari Agro Chemicals Limited Jagaran Microfin Pvt Ltd. (debt Listed)	ID ID
Subhrakant Panda	ID	Experience in Business Management/ corporate planning, strategic Analysis	7	7	Nil	Yes	0	0	Indian Metals and Ferro Alloys Limited Goa Carbon Limited Jk Tyre & Industries Limited	MD ID ID

<sup>^</sup>MD-Managing Director, ID-Independent Director, NED-Non-Executive Director, @ upto 27<sup>th</sup> May 2022, # upto 18<sup>th</sup> September 2022.

<sup>+</sup> Includes Directorship in other public and private companies.

<sup>\*\*</sup>Includes Audit Committee and Stakeholders' Relationship Committee only in public companies.

None of the Directors are related to each other.



### Specific skills/ expertise/ competency identified / required

The following skills / expertise / competencies are identified to be required for the effective functioning of the Company which are currently available with the Directors.

#### a. Strategic skills

Creation & implementation of effective strategies, ability to think strategically to propose new ideas and future-oriented perspective. Need for clear vision on business models and strategic analysis.

#### b. Finance skills

The ability to analyse key financial statements, critically assess financial viability and performance, contribute to strategic financial planning and oversee budgets.

#### c. Regulatory matters

Understanding of the relevant laws, rules, regulation policies applicable to the organisation/ industry/ sector and level/ status of compliances thereof by the organisation.

#### d. Industry / Product related

Experience & knowledge of the industry and its dynamics.

#### e. Risk related

Identification of key risks including legal and regulatory compliance, and advising on risk mitigation.

#### f. Business management

Experience at an executive level including the ability to evaluate the performance of the senior management, strategic human resource management and industrial relations; oversee large scale organisational change.

#### g. Corporate Governance related

Understanding of the best corporate governance practices, relevant governance codes, and governance structure.

#### h. Personal attributes

Integrity & Ethics, Constructive participation, leadership qualities, innovative thinking and critical analysis.

### Independent Directors

#### a. Familiarization Programme

The Company, in compliance with Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulates programmes to familiarize new Independent Directors inducted on the Board with the Company, nature of the industry, business model and their roles and responsibilities. The Independent Directors are having rich experience on the roles, rights and responsibilities of Independent Directors. The details of familiarization programme have been disclosed on the Company's website [www.paradeepphosphates.com](http://www.paradeepphosphates.com).

#### b. Separate Meeting

A separate meeting of the Independent Directors was held on 20<sup>th</sup> May 2022 to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### c. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and are independent of the management.

### 3. AUDIT COMMITTEE

The terms of reference of the Audit Committee are as given below:

- i. The Audit Committee shall meet at least 4 times in a year with not more than 120 days gap between two meetings.
- ii. The quorum for the meetings shall be at least 2 independent directors and Chairman of the meeting shall be an Independent Director.



- iii. The Audit Committee shall have the powers to investigate any financial activity, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary
- iv. The role of Audit Committee and the information that the Audit Committee shall review will be as specified in Section 177 of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part C of Schedule II.
- v. The Audit Committee shall specify the criteria for making the omnibus approval which shall include parameters prescribed in Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014.
- vi. The Audit Committee shall review Policy on Related Party Transactions and Whistle-blower Policy on an annual basis.
- vii. The Company Secretary shall act as the secretary to the Audit Committee.

Besides the above, the additional terms of reference of Audit Committee as per the Companies Act, 2013 includes reviewing and monitoring auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditor's report thereon; approval or any subsequent modification of transactions of the Company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the Company, whenever it is necessary.

During the year, six meetings of the Audit Committee were held on 28<sup>th</sup> May 2022, 26<sup>th</sup> July 2022, 2<sup>nd</sup> August 2022, 4<sup>th</sup> November 2022, 23<sup>rd</sup> January 2023 and 31<sup>st</sup> January 2023.

The composition and the attendance of the members of the Audit Committee is as follows:

Name of the Director	Status	No. of meetings attended
Marco Wadia@	Chairman	03
Dipankar Chatterji#	Chairman	03
Kiran Dhingra	Member	05
Satyananda Mishra	Member	05
Karim Senhadji	Member	04

@ upto 18<sup>th</sup> September 2022, # w.e.f. 6<sup>th</sup> October 2022

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration Committee are as given below;

- i. The Nomination and Remuneration Committee shall meet at such intervals as may be necessary, but at least once in a year, to discharge its functions.
- ii. The quorum for the meetings shall be at least 2 members including at least one Independent Director and Chairman of the meeting shall be an Independent Director
- iii. The role of Nomination and Remuneration Committee shall be as specified in Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.
- iv. The Nomination & Remuneration Committee shall review Nomination and Remuneration Policy and Policy on Board Diversity on an annual basis.
- v. The Company Secretary shall act as the secretary to the Nomination & Remuneration Committee.
- vi. Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:
  - (a) administering the [PPL Employees Stock Option Plan 2021] (the "Plan");
  - (b) determining the eligibility of employees to participate under the Plan;
  - (c) granting options to eligible employees and determining the date of grant;
  - (d) determining the number of options to be granted to an employee;
  - (e) determining the exercise price under the Plan; and
  - (f) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:



- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by [the trust,] the Company and its employees, as applicable.
- (c) Carrying out any other activities as may be delegated by the Board of Directors of the Company and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

During the year, three meetings of the Nomination and Remuneration Committee were held on 20<sup>th</sup> May 2022, 26<sup>th</sup> July 2022 and 31<sup>st</sup> January 2023.

The composition and the attendance of the members of the Nomination and Remuneration Committee is as follows:

Name of the Director	Status	No. of meetings attended
Marco Wadia@	Chairman	02
Satyananda Mishra#	Chairman	01
Kiran Dhingra	Member	03
Soual Mohamed	Member	01

@ upto 18<sup>th</sup> September 2022, # w.e.f. 19<sup>th</sup> September 2022.

#### Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has evaluated the performance of every Director and the evaluation process was carried out by circulating questionnaires on performance of duties, participation and contribution to the Board and Committees.

## 5. RISK MANAGEMENT COMMITTEE

The terms of reference of the Risk Management Committee are as given below:

- i. The Committee shall meet at such intervals, as per the applicable provisions of the Companies

Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

- ii. The quorum for the meetings of the Committee shall be as per the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.
- iii. The Chairman of the Committee and its meetings shall always be a member of the Board of Directors.
- iv. The Committee shall monitor and review the risk management plan.
- v. The Committee shall review risk matrix and regulatory risk factors.
- vi. The Committee shall review Foreign exchange Hedging policy and Risk Management Policy on an annual basis.
- vii. The Committee shall exercise such powers and duties as may be delegated by the Board of Directors.
- viii. The Company Secretary shall act as the secretary to the Committee.

During the year, two meetings of the Risk Management Committee were held on 26<sup>th</sup> July 2022 and 22<sup>nd</sup> January 2023.

The composition and the attendance of the members of the Risk Management Committee is as follows:

Name of the Director	Status	No. of meetings attended
Suresh Krishnan	Chairman	02
Dipankar Chatterji	Member	02
Karim Senhadji	Member	02
Sabaleel Nandy#	Member	02

#upto 25<sup>th</sup> March 2023

## 6. REMUNERATION OF DIRECTORS

The Company did not have any pecuniary relationship or transaction with any Non-Executive Directors during the year 2022-23.

Remuneration by way of sitting fees was paid to the Non-Executive Directors during the financial year ended 31<sup>st</sup> March 2023 for attending the meetings of the Board and the Committees. Payment of remuneration to the Managing Director was as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Shareholders.



The details of the remuneration to the Directors is given below.

Name of the Director	Salary (INR in Lakhs)	Sitting fees (INR in Lakhs)	Perquisites	Stock Options (in number)	Bonus	Retirement benefit (INR in Lakhs)	Terms of service contract
Saroj Kumar Poddar	-	-	-	-	-	-	Director liable to retire by rotation
N Suresh Krishnan	401.01	-	-	4,62,021*	-	16.60	Reappointed as MD for a period of 3 years w.e.f. 16.02.2023. Termination with 6 months' notice by either party
Soual Mohamed	-	-	-	-	-	-	Director liable to retire by rotation
Karim Lotfi Senhadji	-	-	-	-	-	-	Director liable to retire by rotation
Ujjwal Kumar@	-	-	-	-	-	-	NA
Marco Wadia#	-	4.30	-	-	-	-	NA
Kiran Dhingra	-	6.45	-	-	-	-	Reappointed as Independent Director for a period of 3 years w.e.f 27.07.2020
Satyananda Mishra	-	5.90	-	-	-	-	Appointed as Independent Director for a period of 3 years w.e.f. 04.11.2020
Dipankar Chatterji	-	5.35	-	-	-	-	Appointed as Independent Director for a period of 3 years w.e.f. 03.08.2021
Subhrakant Panda	-	3.00	-	-	-	-	Appointed as Independent Director for a period of 3 years w.e.f. 31.01.2022

@ 27.05.2022, # upto 18.09.2022.

\*The options granted during the FY 2021. The stock options would vest after fulfilment of vesting conditions in accordance with the ESOP Plan of the Company.

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference of the Stakeholders' Relationship Committee are as given below;

- The Stakeholders Relationship Committee shall meet at such intervals as it may be necessary, but at least once in a year, to discharge its functions
- The quorum for the meetings shall be at least 2 members.
- The Chairman of the meeting shall be a non - executive director and he shall be present at the annual general meeting.
- The role of Stakeholders Relationship Committee shall be as specified in Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.

During the year, one meeting of the Stakeholders' Relationship Committee was held on 31<sup>st</sup> January 2023.

The composition and the attendance of the members of the Stakeholders' Relationship Committee is as follows:

Name of the Director	Status	No. of meetings attended
Satyananda Mishra	Chairman	01
Kiran Dhingra	Member	01
N. Suresh Krishnan	Member	01

Mr. Sachin Patil, Company Secretary is the Compliance Officer.

During the year ended 31<sup>st</sup> March 2023, the Company has received 02 shareholders' complaints and same are redressed to the satisfaction of the shareholders.

## 8. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. The Board has designated the Company Secretary, as the Compliance Officer and authorised the Managing Director to monitor the compliance of the aforesaid regulations.



## 9. CODE OF BUSINESS CONDUCT AND ETHICS

The Company has in place, a Code of Business Conduct and Ethics for its board members and the senior management, which has been posted on the Company's website. The board and the senior management affirm compliance with the code, annually.

## 10. GENERAL MEETINGS

The details of location, time and special resolutions passed at the previous three Annual General Meetings given below:

Date	Time	Venue	Special Resolutions Passed
12 <sup>th</sup> September 2022	4:30 PM	Through Video Conferencing	<ul style="list-style-type: none"> <li>Borrow and mortgage/charge the Company's properties in favour of its lenders</li> </ul>
17 <sup>th</sup> September 2021	5:00 PM	Through Video Conferencing	<ul style="list-style-type: none"> <li>Borrow and mortgage/charge the Company's properties</li> </ul>
11 <sup>th</sup> September 2020	3:30 PM	Through Video Conferencing	<ul style="list-style-type: none"> <li>Re-appoint Ms. Kiran Dhingra (DIN 00425602), as an Independent Director</li> <li>Appoint Mr. N. Suresh Krishnan (DIN: 00021965) as Managing Director of the Company</li> </ul>

Details of the Special Resolution passed through Postal Ballot during the financial year 2022-23:

<b>Brief procedure for postal Ballot</b>	Postal Ballot conducted as per Section 110 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014.
<b>Type of meeting</b>	Postal Ballot
<b>Date of Postal Ballot Notice</b>	May 28, 2022
<b>Item of Special Resolution passed through the Postal Ballot</b>	Appointment of Mr. Subhrakant Panda as an Independent Director
<b>Details of voting pattern</b>	Votes in favour: 62,12,19,532 (99.45%) Votes against: 34,63,842 (0.055%)
<b>Name of Scrutinizer for conducting Postal Ballot</b>	Mr. Shivaram Bhat, Practicing Company Secretary
<b>Date of declaration of result date of approval</b>	August 8 <sup>th</sup> , 2022 August 7 <sup>th</sup> , 2023

## 11. MEANS OF COMMUNICATION

The quarterly financial results will be published in FINANCIAL EXPRESS/ Business Line, an English daily as well as SURYA PRAVA, a vernacular daily. The results are also posted on the Company's website: [www.paradeepphosphates.com](http://www.paradeepphosphates.com).

All official press releases, presentations made to analysts and institutional investors and other general information about the Company are also available on the website of the Company.

## 12. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting

The Forty-First Annual General Meeting of the Company will be held on **Tuesday 26<sup>th</sup> September 2023 at 3:00 PM** through VC

### b. Financial Year

Financial Year – 1<sup>st</sup> April to 31<sup>st</sup> March

Financial reporting during the year 2023-24:

Quarter	Declaration of un-audited/audited financial results
Results for the quarter ending 30 <sup>th</sup> June 2023	On or before 14 <sup>th</sup> August 2023 or such prescribed period
Results for the half – year ending 30 <sup>th</sup> September 2023	On or before 14 <sup>th</sup> November 2023 or such prescribed period
Results for the quarter ending 31 <sup>st</sup> December 2023	On or before 14 <sup>th</sup> February 2024 or such prescribed period
Audited Annual Results for 2023-24	On or before 30 <sup>th</sup> May 2024 or such prescribed period

### c. Record date: 19<sup>th</sup> September 2023

### d. Dividend payment date: Within 30 days from the date of approval of shareholders

**e. Listing on the Stock Exchanges**

The Company's shares are presently listed on the following Stock Exchanges:

BSE Limited (Bombay Stock Exchange)  
Phiroze Jeejeebhoy Towers  
Dalal Street, MUMBAI – 400 023

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), MUMBAI – 400 051

The Company has paid the annual listing fees to the Stock Exchanges and the custodial fees to NSDL and CDSL for the financial year 2022-23.

**f. Stock Code**

BSE Limited: 543530  
National Stock Exchange of India Limited:  
PARADEEP  
International Standard Identification Number  
(ISIN): INE088F01024

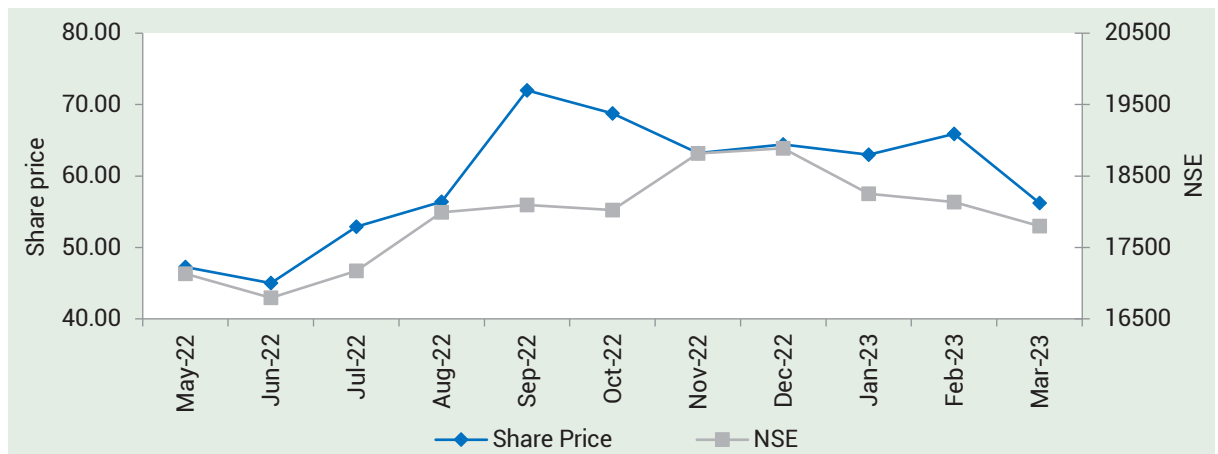
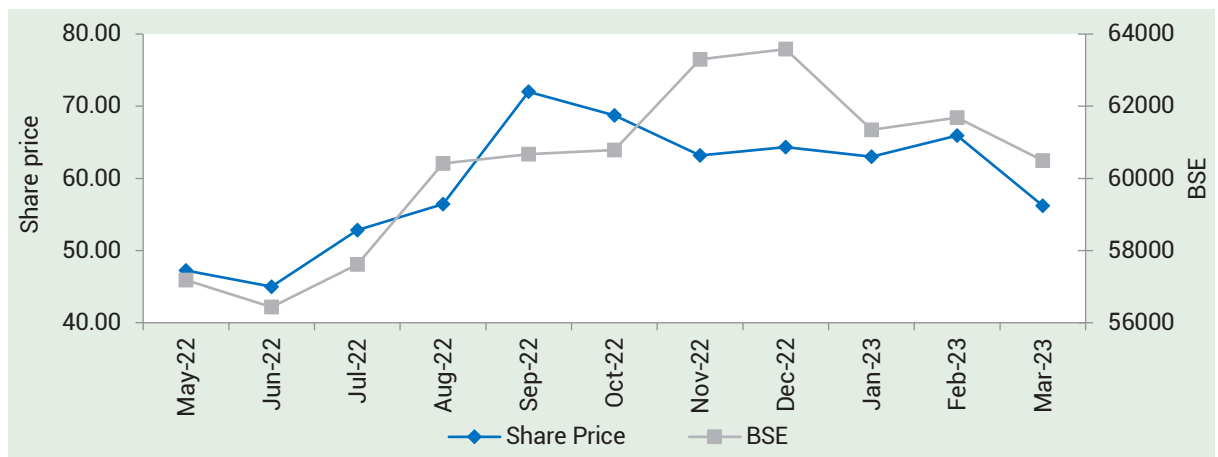
**g. Market Price Data**

The monthly high and low quotations at BSE and NSE during the year under review are given below:

Month & Year	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
May 2022	47.25	41.15	47.25	41.10
June 2022	45.00	37.45	45.00	37.45
July 2022	52.85	38.50	52.90	38.45
August 2022	56.45	47.40	56.40	47.50
September 2022	72.00	53.95	72.00	54.05
October 2022	68.75	58.85	68.75	58.80
November 2022	63.20	54.60	63.20	54.60
December 2022	64.35	53.25	64.40	53.25
January 2023	63.00	56.35	63.00	56.30
February 2023	65.95	52.60	65.90	52.55
March 2023	56.22	48.35	56.20	48.30

Source: www.bseindia.com & www.nseindia.com

**h. Performance in comparison to BSE Sensex and Nifty 50**



Note: Highest traded price of the month is considered for the graph.





i. **The securities were not suspended from trading during the year**

j. **Registrars and Share Transfer Agents**

M/s. Link Intime India Private Limited, have been engaged to provide both share transfer as well as dematerialisation services.

k. **Shareholding Pattern as on 31<sup>st</sup> March 2023**

Category	No. of Equity Shares	% of shareholding
Promoters & Promoters Group	456942507	56.10
Insurance Companies	34899520	4.28
Mutual Funds	142350203	17.48
Foreign Portfolio Investors	41562062	5.10
Private Corporate Bodies	7771417	0.95
Public	122283947	15.01
NRI	3046224	0.37
others	5641739	0.69
<b>Total</b>	<b>814497619</b>	<b>100</b>

**Distribution of shareholding as on 31<sup>st</sup> March 2023**

	No. of shareholders	% of shareholders
1 - 500	182,440	82.92
501 - 1000	19,441	8.83
1001 - 2000	9,732	4.42
2001 - 3000	2,932	1.33
3001 - 4000	1,311	0.60
4001 - 5000	1,756	0.80
5001 - 10000	1,367	0.62
10001 & above	1,048	0.48
<b>Total</b>	<b>220,027</b>	<b>100.00</b>

l. **Dematerialisation of shares and liquidity**

The Company's equity shares having been mandated for settlement only in dematerialised form by all investors, the Company has signed tripartite agreements with the National Securities Depository Limited [NSDL], the Central Depository Services (India) Limited [CDSL] and Link Intime India Private Limited, to offer depository related services to its shareholders. As on date, 100.00% of the equity share capital of the Company has been dematerialised.

m. **The Company has not issued GDRs/ADRs/Warrants and Convertible Instruments.**

n. **Commodity price risk or foreign exchange risk and hedging activities.**

As the Company is not engaged in business of commodities which are traded in recognised commodity exchanges, commodity risk is not applicable. Foreign Currency Exchange risk is hedged in accordance with the Policy formulated by the Company for that purpose and periodical update is given to the Board on a quarterly basis.

o. **Plant location:** Paradeep, Jagatsinghpur, Odisha – 754145 & Zuarinagar, Goa - 403726

p. **Address for Correspondence**

Corporate Office	Registrars and Transfer Agents
Paradeep Phosphates Limited 3rd Floor, Adventz Centre 28 Union Street, Off Cubbon Road, Bengaluru - 560001, Karnataka, India Phone: +91 8046812500 +91 8046812555 Email: cs.ppl@adventz.com	M/s. Link Intime India Private Limited 247 Park, C – 101, 1st Floor, L.B.S. Marg, Vikhroli – (West) Mumbai – 400 083 Ph. No: +91 022- 49186200 Email: rnt.helpdesk@linkintime.co.in

The Company has designated the email ID cs.ppl@adventz.com for registering investor complaints.

q. **Credit ratings**

- Agency - ICRA Limited
- Instrument - Line of credit
- Rating - ICRA A (long term scale)  
ICRA A1 (short term scale)
- The outlook on the long term rating is Stable

## 13. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company. However, please refer to the relevant Notes to the financial statements on related party transactions.

- b. Details of non-compliance by the Company, penalties, strictures

The Company has complied with all the statutory requirements comprised in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and there were no penalty / strictures were imposed on the Company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

- c. The Company has a Whistleblower Policy closely monitored by the management. No personnel has been denied access to the Audit Committee.
- d. The Company has complied with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- e. The Company does not have any subsidiary and hence policy on determining material subsidiaries is not applicable.
- f. The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the Policy on Related Party Transactions and the same is placed on website of the Company <https://www.paradeepphosphates.com/investors/corporate-governance#policies>
- g. The subsidy mechanism applicable for Urea appropriately recognises commodity price fluctuations in respect of the required inputs. Similarly, subsidy mechanism under Nutrient Based Subsidy scheme applicable for DAP, MOP and other complex fertilizers and the market realisation reflect the fluctuations in the respective commodity prices.
- h. The Company has not raised any funds through preferential allotment or qualified institutions placement.
- i. Certification from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified

from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this Report.

- j. The Board has accepted all the recommendations of the various committees of the Board, in the relevant financial year.
- k. Total fees for all services to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is given in Note No. 27 to the Financial Statements.
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- i. number of complaints filed during the financial year: Nil
  - ii. number of complaints disposed off during the financial year: Nil
  - iii. number of complaints pending as on end of the financial year: Nil
- m. The Company has adopted para C and E of Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- n. The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- o. There are no shares in the demat suspense account or unclaimed suspense account.
- p. The Company has not given any Loans and advances in the nature of loans to firms/companies in which Directors are interested.

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

**Saroj Kumar Poddar**

Chairman

DIN: 00008654

Date: 17<sup>th</sup> May 2023



## ANNEXURE- B TO THE BOARD'S REPORT

### CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

**Paradeep Phosphates Limited**

We have examined the compliance of conditions of Corporate Governance by Paradeep Phosphates Limited, for the financial year ended on 31st March 2023, as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance with conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation process adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said regulations. 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 and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **B.C. DEBATA & ASSOCIATES**

Company Secretaries

**Bidhan Ch. Debata**

Proprietor

FCS No. 4902, CP No.12574

UDIN: F004902E000316061

Place: Bhubaneswar

Date: 16<sup>th</sup> May 2023

## ANNEXURE- C TO THE BOARD'S REPORT

### DECLARATION BY THE MANAGING DIRECTOR

Pursuant to Regulation 26(3) of SEBI (LODR) Regulations, 2015, I, N Suresh krishnan, Managing Director of Paradeep Phosphates Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2022-23.

Date : 17<sup>th</sup> May ,2023

**N Suresh Krishnan**

Managing Director

DIN: 08029847





## ANNEXURE- D TO THE BOARD'S REPORT

### CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to clause (i) of point 10 of para C of Schedule V of Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
**Paradeep Phosphates Limited**  
5<sup>th</sup> Floor, Orissa State Handloom  
Weavers' Co-Operative Building,  
Pandit J. N. Marg, Bhubaneswar-751 001.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Paradeep Phosphates Limited** ('the Company') bearing **CIN: L24129OR1981PLC001020** and having its registered office at 5<sup>th</sup> Floor, Orissa State Handloom Weavers' Co-operative Building, Pandit J. N. Marg, Bhubaneswar-751001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs in writing.

Name	DIN	Date of Appointment in Company
Saroj Kumar Poddar	00008654	5 <sup>th</sup> February 2014
Narayanan Suresh Krishnan	00021965	16 <sup>th</sup> February 2020
Dipankar Chatterji	00031256	3 <sup>rd</sup> August 2021
Subhrakant Panda	00171845	31 <sup>st</sup> January 2022
Kiran Dhingra	00425602	27 <sup>th</sup> July 2017
Satyananda Mishra	01807198	4 <sup>th</sup> November 2020
Soual Mohamed	08684762	3 <sup>rd</sup> February 2020
Karim Lotfi Senhadji	09311876	31 <sup>st</sup> January 2022

- Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357) ceased to be a Director of the Company with effect from 19<sup>th</sup> September 2022 on completion of his term as Independent Director of the Company.
- Mr. Ujjwal Kumar (DN: 09340001) ceased to be nominee director with effect from 27<sup>th</sup> May 2022 on cessation of nomination.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B.C. DEBATA & ASSOCIATES**

Company Secretaries

**Bidhan Ch. Debata**

Proprietor

FCS No. 4902, CP No.12574

UDIN: F004902E000311461

Place: Bhubaneswar

Date :15<sup>th</sup> May 2023



# ANNEXURE- E TO THE BOARD'S REPORT

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2023

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

To,

#### The Members

Paradeep Phosphates Ltd.  
5th Floor, Orissa State Handloom Weavers'  
Co-Operative Building, Pandit J.N Marg  
Bhubaneswar, Odisha-751001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PARADEEP PHOSPHATES LIMITED** (hereinafter called '**the Company**') bearing **CIN L24129OR1981PLC001020**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2023, complied with the applicable 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 the Company for the financial year ended on **31st March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (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') to the extent applicable:
    - 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;
    - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
    - 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;
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- And
- (vi) Following industry specific laws specifically applicable to the Company.
    - 1) The Fertilisers (Control) Order, 1985;
    - 2) The Fertiliser (Movement Control) Order, 1973;
    - 3) The Fertilizer (Control) (Organic, Inorganic and Mixed) Order, 1985
    - 4) The Environment Protection Act, 1986
    - 5) Hazardous Waste (Management & Trans-boundary Movement) Rules, 2008
    - 6) Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989.
    - 7) Legal Metrology Act, 2009.
    - 8) Insecticides Act, 1968
    - 9) Essential Commodities Act
    - 10) Indian Boilers Act
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India relating to Board Meetings and General Meetings.

- (ii) The Listing agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.;

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

I report that, on examination of the relevant documents and records, and based on the Company's Management representation, the Company has been regular in complying with the provisions of the Act, Rules, and Regulations etc., relating the other industry specific laws and has adequate systems to monitor and ensure its compliance.

Based on the information provided by the Company and its officers during the conduct of the audit, and also on the review of compliance reports by respective department heads and the Managing Director, duly taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable other general laws.

The compliance by the Company of applicable financial laws, such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

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.

All decisions at the General Meetings, Board Meetings and Committee Meetings were recorded in the minutes of the respective meetings.

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.

I further report that during the audit period:

1. The Equity Shares of the Company were listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) with effect from 27th May 2022, pursuant to Initial Public Offering ("IPO") of the Company by way of a Fresh Issue and an Offer for Sale.
2. The 'PPL- Employees Stock Option Plan 2021' (ESOP – 2021) and extension of the benefits of the said ESOP 2021 to eligible employees of the group Company(ies) including a subsidiary or associate or of a holding Company of the Company was ratified by the shareholders through postal ballot on the 18<sup>th</sup> April 2023.

**For B.C. DEBATA & ASSOCIATES**

Company Secretaries

**Bidhan Ch. Debata**

Proprietor

FCS No. 4902, CP No.12574

UDIN: F004902E000316081

Place: Bhubaneswar

Date :16<sup>th</sup> May 2023

This Report is to be read with our letter of even date which is annexed as '**Annexure-A**' and forms an integral part of this report.





**'Annexure A'**

To,

**The Members**

Paradeep Phosphates Ltd.  
5th Floor, Orissa State Handloom Weavers'  
Co-Operative Building, Pandit J.N Marg  
Bhubaneswar, Odisha - 751001.

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. I have conducted the audit based on the documents, information and clarifications received digitally online from the company, due to the covid19 restrictions in place during the period of audit. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For B.C.DEBATA & ASSOCIATES**

Company Secretaries

**B.C.DEBATA**

Proprietor

FCS No. 4902, CP No.12574

Place: Bhubaneswar

Date :16<sup>th</sup> May 2023



# ANNEXURE- F TO THE BOARD'S REPORT

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

### (A) Conservation of Energy

#### Paradeep Plant

#### (i) The steps taken or impact on conservation of energy

- SAP-A& B cooling tower pump replacement & commissioning: Out of four pumps one pump (D) replaced with a new cooling water pump with low capacity (2400 cum/hr. vs. 3700 cum/hr.) is installed to meet the present requirement and to get the savings in terms of power consumption. Yearly power saving estimated based on 330 days operation will be around 950 MW. Proposal for replacement of 2<sup>nd</sup> pump is in progress.
- Power consumption from solar source (by installed 255 kW solar panel) is 270562 kWh in 2022-23.
- Common condensate recovery system development for Ammonia vaporizer steam is initiated at DAP plant, implementation is in progress.
- Upgradation of old motors to Energy Efficient motors of IE3 grade is continued in existing plants.
- Phase-wise replacement of conventional lights with LED lights continued in the complex.
- Optimisation of recovery of steam condensate up to 90% achieved.
- Effluent treatment plant (ETP) effluent load reduced by 50% by recycling & utilisation of cooling tower blow down water, boiler blow down water & pump seal water in process.

#### (ii) The steps taken for utilising alternate sources of energy

- Power generation from Solar energy is continued in PPL township.

#### Goa Plant

#### (i) The steps taken or impact on conservation of energy

- In the Ammonia plant, SX steam pressure is increased from 92 kg/cm<sup>2</sup>g to 98-99 kg/cm<sup>2</sup>g. Due to this increase in pressure, the steam consumption in HPT of syngas compressor is reduced by approximately 4 MTPH and overall steam generation is reduced by 3 MTPH. Impact on Urea Specific

Energy consumption is approximately 0.035 Gcal/MT Urea.

- Pressure control valve on Waste Heat boiler steam drum is removed thereby discharge pressure of BFW pump is reduced by 2.0 kg/cm<sup>2</sup>. Saving in BFW steam consumption by approx. 0.3 MTPH.
  - Received PDP from M/s Casale for Energy Saving Project in Ammonia Plant. The expected saving in Energy post implementation of the PDP is 0.79 Gcal/MT Ammonia. The impact on Urea Specific energy consumption is 0.458 Gcal/MT Urea. The Part implementation of PDP is planned in DEC 2023 which will reduce Urea specific Energy by approximately 0.1 Gcal/MT urea. Accordingly all the necessary orders for supply as well as execution are in place and the supply of material is also started to flow in.
  - Further, in order to reduce Urea Specific Energy by Approx.0.4 Gcal/MT urea, implementation of GT+HRSG is conceptualized to implement in March 2025 along with complete implementation of PDP in Ammonia Plant.
  - Work order is awarded for the setting up a Bio Gas unit from Canteen waste to reduce LPG consumption in Canteen.
  - Upgradation of old motors to Energy Efficient motors is continued in existing plants.
  - Phase-wise replacement of conventional lights with LED lights continued in the complex.
  - Detail steam system audit of the entire complex has been completed by M/s Armstrong to optimize condensate/ efficient hot water recovery. Implementation is in progress.
- #### (ii) The steps taken for utilizing alternate sources of energy
- Vendor selection for Power generation from Solar energy by implementing floating solar panels on captive DAM is in process. Meanwhile a 400 KW of Roof Top Solar is also proposed for immediate implementation.



**(B) Technology Absorption**

- (i) The efforts made towards technology absorption and the benefits derived therefrom

**Paradeep Plant**

- For new 600 TPD Phosphoric acid plant, the company hastied up with M/s Prayon Technology. Construction and erection activities are in full swing, commissioning is expected by FY24 Q2. It will minimize the import of P2O5.

**Goa Plant**

- In order to improve the Specific Energy Consumption of Ammonia /Urea plants, Energy Saving Project (ESP) is initiated. M/s Casale has completed and submitted the PDP for Ammonia plant to achieve an energy saving of 0.79 Gcal/MT of Ammonia, which corresponds to saving of 0.458 Gcal/MT of Urea. Further, to reduce Specific energy consumption of Urea by another 0.4 Gcal/MT urea, installation of GT+ HRSG along with drive changes has been envisaged. Phase wise implementation approach is adopted for the complete project. Phase-1: will be implemented in Nov/DEC 2023 which will provide for the following benefits ;
  - Expected reduction in energy consumption is 0.09-0.1 Gcal/MT Urea
  - Expected reduction in water consumption: 200-250 M3/day.
  - Expected Reduction in CO2 Emission : 30 tCO2e
  - Ammonia and Urea plant DCS system upgraded from CENTUM CS 3000 TO CENTUM VP.
  - A study of NPK-B plant recycle system is completed by M/s JESSA (Jacobs). Implementation in progress. Changes will give benefit in optimization in capacity and product quality.
- (ii) Solar power generation and utilisation at Township is continued
- (iii) The details of technology imported during the last three years, year of import and status of absorption  
The Company has imported the following technologies during the last three years which are under implementation:

- M/s. Jacobs technology was adopted to increase production by 15 T/H per train, reduce stack losses and improve product quality. Revamp of all granulation trains have been completed usefully with latest completion of train B during Nov'22.
- M/s Prayon technology is under implementation to produce 600 TPD phosphoric acid.

**(iv) The expenditure incurred on Research & Development:**

The expenditure incurred during the year is ₹ 119.14 lakh including Capital expenditure of ₹ 0.95 Lakhs. The following R&D activities were taken up during the year.

- IIT-BBSR designed PAP reactor agitator has been installed and performance is satisfactory.
- Anti-scaling agent development for graphite heat exchanger is completed at IIT-BBSR. Scaling agent is developed and tested at IIT lab and in proposal stage for conducting plant trial.
- Biomass Mediated Value Addition to Fertilizer Industries Waste project under waste management technology programme was collaborated with CSIR-IMMT Bhubaneswar in Oct 2020. Pilot plant study is completed. Mass balance and energy balance are being carried out at CSIR- IMMT Bhubaneswar. Different Product chemical composition is analysed, neutralized customised bio fertilizer rich with carbon, Sulphur, Calcium, potash and other nutrients is the end product. Also, Liquid (pyroligneous liquid) and Gas (syn-gases) were obtained. Re use of gas and liquid in the process or other source is to be finalised. By product liquid and gas characterisation is in progress
- Development and exploration of suitable Bentonite resources - Zypmite product formulation for the better granulation and crushing strength improvement is completed and result is satisfactory.
- A Laboratory scale study with various additives for gypsum nucleation, crystal growth & morphology of Gypsum Crystal:



The addition of crystal habit modifier during phosphoric acid production resulted in scaling up the production rate with higher P2O5 recovery efficiency from phosphatic rock by better filtration.

- Hydrometallurgical leaching of Vanadium spent catalyst for the recovery of Vanadium: Test Completed. About 92-94% V was recovered from the spent catalyst generated from Sulphuric acid plant using hydrometallurgical leaching which will also eliminate the hazardous impact to the environment during its disposal.

**(C) Foreign Exchange earnings & outgo**

(₹ in Crores)

	<b>2022-23</b>	<b>2021-22</b>
Foreign exchange outgo	7,986.13	2,859.91
Foreign exchange earnings	289.93	76.95

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

**Saroj Kumar Poddar**

Chairman

DIN: 00008654

Date: 17<sup>th</sup> May 2023



## ANNEXURE- G TO THE BOARD'S REPORT

### ANNUAL REPORT ON CSR ACTIVITIES

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

The Corporate Social Responsibility of the Company encompasses the culture of trust and caring while discharging its Social Responsibility to meet the expectation of all stakeholder and the society at large. As a responsible corporate, the Company contributes towards inclusive growth and development by empowering communities residing in its operating territory focusing the Socio-Economic and Environmental requirements.

The CSR policy framework details the mechanism for undertaking various programmes in accordance with section 135 of the companies Act 2013 for the benefit of the community.

Over the years CSR project area has expanded to include poorer villages/beneficiaries and urban slum pockets in Paradeep and plant surrounding locations of Goa. The CSR activities focuses to address key aspects broadly in four categories:

- WaSH & Healthcare
- Education
- Empowerment
- Environment

#### 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	Marco Wadia@	Chairman	1	1
2	Kiran Dhingra#	Chairperson	1	1
3	N Suresh Krishnan	Member	1	1
4	Karim Senhadji\$	Member	N.A	N.A

@ upto 16<sup>th</sup> September 2022, # Chairperson w.e.f.16<sup>th</sup> September 2022, \$ w.e.f.16<sup>th</sup> September 2022

#### 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:

- a. Composition of Committee: <https://www.paradeepphosphates.com/uploads/content/composition-of-the-committees-of-ppl-02082023.pdf>
- b. Link for CSR Policy: <https://www.paradeepphosphates.com/investors/corporate-governance#policies>
- c. Link for CSR projects approved by the board: <https://www.paradeepphosphates.com/uploads/content/csr-paln-2023-241693551358.pdf>

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:- **Not applicable**

- (a) Average net profit of the Company as per sub-section (5) of section 135:- **₹ 37,716 Lakhs**
  - (b) Two percent of average net profit of the Company as per sub-section (5) of section 135:- **₹ 75,431,265**
  - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **- NIL**
  - (d) Amount required to be set off for the financial year, if any:- **NIL**
  - (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 75,431,265**
- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 64,703,726**
  - (b) Amount spent in Administrative Overheads: = **₹ 2,209,704**
  - (c) Amount spent on Impact Assessment, if applicable: **Nil**
  - (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹ 66,913,430**
  - (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 66,913,430	8,526,708*	29 <sup>th</sup> April 2023	NA	NA	NA

\* amount transferred in respect of ongoing CSR projects .

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) section 135	75,431,265
(ii)	Total amount spent for the Financial Year	66,913,430
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(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)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in The Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: - No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per as per sub-section (5) of section 135:

During the year, the Company was required to spend ₹ 75,431,265/- in accordance with Section 135(1) of the Companies Act, 2021. Out of the same, the Company had spent ₹ 66,913,430/- on the CSR projects during the Financial Year directly as well as through implementing partner Harsha Trust and HelpAge India. The unspent amount of ₹ 8,526,708/- was transferred to the unspent CSR account as is mandated under the Act and is allocated to the ongoing CSR projects. These projects will continue to be implemented in Financial Year 2023-24 and onwards as per statutory provisions applicable in this behalf.

Due to practical and on ground challenges in scaling up the projects, the aforementioned amount of ₹ 8,526,708/- had remained unspent and been transferred to the Unspent account opened by the Company. The Company reiterates its commitment to discharge its CSR obligation and shall continue to implement meaningful CSR projects in the CSR areas in accordance with its CSR Policy.

**N Suresh Krishnan**  
Managing Director  
Date: 17th May,2023

**Kiran Dhingra**  
Chairperson, CSR Committee



## ANNEXURE- H TO THE BOARD'S REPORT

**A. Statement of particulars pursuant to the provisions of section 197 (12) read with Rule 5 (1) of 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 2022-23:**

Sr. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Saroj Kumar Poddar	-
2	N Suresh Krishnan	42.21 :1
3	Soual Mohamed	-
4	Karim Lotfi Senhadji	-
5	Ujjwal Kumar#	-
6	*Marco Wadia	0.43 : 1
7	*Kiran Dhingra	0.65 : 1
8	*Satyananda Mishra	0.30 : 1
9	Dipankar Chatterji	0.44 : 1
10	Subhrakant Panda	-

\*Were paid sitting fees for attending meetings

**II The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year;**

Sr. No.	Name of the Director	Percentage increase in remuneration
1	Saroj Kumar Poddar	Nil
2	N Suresh Krishnan	8.00%
3	Ghislane Guedira	Nil
4	Prabhas Kumar	Nil
5	Vinay Kumar Pandey	Nil
6	Soual Mohamed	Nil
7	Karim Lotfi Senhadji	Nil
8	Ujjwal Kumar#	Nil
9	Marco Wadia	Nil
10	Kiran Dhingra	Nil
11	Satyananda Mishra	Nil
12	Dipankar Chatterji	Nil
13	Subhrakant Panda	Nil
14	Sachin Patil	26.56%
15	Bijoy Kumar Biswal	2.77%

**III The percentage increase in the median remuneration of employees in the financial year:**

9.29%

**IV The number of permanent employees on the rolls of Company:**

There are 1476 permanent employees on the rolls of the Company

**V Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The median increase in remuneration to employees other than Managerial Personnel was 9.29%

**VI It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company**

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

**Saroj Kumar Poddar**

Chairman

Date: 17<sup>th</sup> May 2023

DIN: 00008654





## ANNEXURE- I TO THE BOARD'S REPORT

### FORM NO. AOC. 1

Statement containing salient features of the financial statement of Joint Ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A": Subsidiaries

Not Applicable

#### Part "B": Joint Ventures/Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Zuari Yoma Agri Solutions Limited
1. Latest un-audited Balance Sheet Date	31 <sup>st</sup> March 2023
2. Shares of Associate / Joint Ventures held by the Company on the year end	
Number	512,500
Amount of Investment in Joint Venture	USD 512,500
Extend of Holding %	50%
3. Description of how there is significant influence	Based on the percentage of holding in the Joint Venture
4. Reason why the joint venture is not consolidated	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	1,613,061,876 in KYAT
6. Profit / Loss for the year	
i. Considered in Consolidation	128,219,524 in KYAT
ii. Not Considered in Consolidation	128,219,524 in KYAT

Names of associates or joint ventures which are yet to commence operations - Nil

Names of associates or joint ventures which have been liquidated or sold during the year - Nil.

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

**Saroj Kumar Poddar**

Chairman

Date: 17<sup>th</sup> May 2023

DIN: 00008654



# FINANCIAL STATEMENTS





# INDEPENDENT AUDITOR'S REPORT

To the Members of

## Paradeep Phosphates Limited

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

#### Opinion

We have audited the standalone financial statements of Paradeep Phosphates Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Recognition and recoverability of subsidy revenue

See Note 8 and 20 to standalone financial statements

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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.

The key audit matter	How the matter was addressed in our audit
<p>The Company recognizes the subsidy revenue from the Department of Fertilisers, Government of India ('GoI'). The revenue is recognised as per Nutrient Based Subsidy Policy ('NBS Policy') for Phosphatic and Potassic fertilisers and New Pricing Scheme for Urea at the time of sale of goods to its customers.</p> <p>Subsidy revenue is recognized on the basis of rates notified from time to time by the Department of Fertilisers, Government of India in accordance with NBS Policy and New Pricing Scheme. It is recognised on the basis of quantity of fertilisers sold by the Company. Further, recognition and realisability of subsidy income is subject to various conditions as per the GoI Policy. During the year, the Company has recognised ₹ 856,302.14 lakhs as subsidy revenue and out of this an amount of ₹ 306,937.59 lakhs is receivable as on 31 March 2023.</p> <p>In view of the significance of subsidy revenue and significant judgements involved around the interpretation and satisfaction of conditions specified in GoI policy, we have considered recognition and recoverability of subsidy income as a key audit matter.</p>	<p>In view of the significance of the matter, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>evaluated the design, implementation and operating effectiveness of internal controls for recognition and recoverability of subsidy revenue</li> <li>read the relevant notifications and circulars issued by the GoI from time to time with regard to subsidy policies</li> <li>tested the subsidy rates considered by the Company for the product subsidy with the applicable circulars and notifications and relevant available pricing data of fertilisers and raw materials</li> <li>reconciled the sales quantity considered for subsidy revenue with the actual sales made by the Company</li> <li>reconciled the quantities considered for estimation of subsidy revenue with quantities as per Integrated Fertilizer Management System</li> <li>evaluated the Company's assessment regarding compliances with relevant conditions as specified in the notifications and policies relating to subsidy</li> </ul>



## Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>understood and challenged the basis of judgements made in relation to the relevant notifications/circulars including past precedence and subsequent evidence, as applicable</li> <li>for evaluating the recoverability of receivables, tested the ageing analysis and assessed the information used to determine the recoverability of receivables by considering the historical trends and subsequent collections</li> </ul>

**Business combination**

See Note 44 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 March 2023, the Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited on 1 June 2022.</p> <p>The Company has accounted for this acquisition as a business combination as per Ind AS 103 with effect from the date of acquisition.</p> <p>The Company carried out a purchase price allocation as of the acquisition date. It accounted for its assets, liabilities and disclosed contingent liabilities as of the acquisition date. The excess of purchase price paid over net assets has been recognized as goodwill.</p> <p>The Company has involved external valuers for determination of fair value of land, buildings and other property, plant and equipment using relevant valuation models.</p> <p>Given the complexity and judgements involved in fair value measurement of the acquisition, we have considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>read the business transfer agreement for the business purchase to understand the key terms and conditions</li> <li>assessed the accounting treatment followed is in compliance with Ind AS 103</li> <li>inspected the work of the experts by examining the valuation reports</li> <li>evaluated the purchase price allocation and checked valuation of tangible assets by involving our internal valuation specialists</li> <li>assessed the adequacy of the Company's disclosure is in line with Ind AS 103</li> </ul>

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and 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 in the 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 and Board of Directors Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and



## Independent Auditor's Report (Contd.)

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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also 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 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 with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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.

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.





## Independent Auditor's Report (Contd.)

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the 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 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 15 to the standalone financial statements.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 43 to the standalone financial statements, no funds 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.
    - (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 43 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



## Independent Auditor's Report (Contd.)

- (iii) Based on the audit procedures performed 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 (i) and (ii) above, contain any material misstatement.
- e. As stated in Note 13 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN:23055757BGYIHM4408



## ANNEXURE A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land	27.94	Not applicable	Not applicable	1982-85	Delay on account of administrative formalities

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return/ statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Whether return / statement subsequently rectified
June 2022	State Bank of India	Inventories	172,363.84	177,322.02	(4,958.16)	No
	State Bank of India	Trade receivables	268,278.21	268,203.00	75.21	No
	State Bank of India	Other current assets	52,426.04	60,530.03	(8,103.99)	No

Annexure A to the Independent Auditor's Report (Contd.)

Quarter	Name of bank	Particulars	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return/ statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Whether return / statement subsequently rectified
September 2022	State Bank of India	Inventories	265,742.23	270,524.02	(4,781.79)	No
	State Bank of Indi	Trade receivables	310,969.30	317,746.46	(6,807.16)	No
	State Bank of India	Other current assets	52,610.33	37,241.41	15,368.92	No
December 2022	State Bank of India	Inventories	264,794.51	265,871.95	(1,077.44)	No
	State Bank of India	Trade receivables	378,190.83	379,014.19	(823.36)	No
	State Bank of India	Other current assets	51,494.68	44,632.34	6,862.34	No

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods 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 records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.  
According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.  
According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income tax demand	32.77	2016-17	Orissa High Court	
Income-tax Act, 1961	Income tax demand	37.21*	2016-17	Commissioner of Income Tax (Appeals)	*Net of amount paid under protest of ₹ 13.26 lakhs



## Annexure A to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income tax demand	15.78	2015-16	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income tax demand	11.18	2015-16	Commissioner of Income Tax (Appeals)	
Central Goods and Services Tax Act, 2017	Goods and Services Tax Demand	181.82	July 2017 to January 2018	Orissa High Court	
Central Sales Tax Act, 1956	CST Demand on branch transfers and disallowance of export sales	8420.51*	2005-06	Deputy Commissioner of Sales Tax	*Net of amount paid under protest of ₹ 2000 lakhs
Orissa Value Added Tax	Disallowance of input tax credit	47.80*	April 2016 – June 2017	Additional Commissioner (Appeals)	*Net of amount paid under protest of ₹ 4.16 lakhs
Central Sales Tax Act, 1956	Demand of central sales tax	15.44*	2013-14	Sales Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 36.04 lakhs
Custom Act, 1962	Demand of CVD and SAD on sulphur which is not used in manufacture of fertilizer	113.42*	2007-12	Customs Excise and Service Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 10 lakhs
Finance Act 1994	Service tax demand	82.13*	April 2016 – June 2017	Commissioner (Appeals), Central Excise, Customs and Service Tax	*Net of amount paid under protest of ₹ 6.67 lakhs
Central Excise Act, 1944	Excise duty	216.58	2010-11	Customs Excise and Service Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 17.56 lakhs
Orissa Entry Tax Act, 1999	Entry Tax Penalty	178.79	October 2010 to March 2012	Joint Commissioner of Sales Tax	
Orissa Entry Tax Act, 1999	Entry Tax Interest	1,544.47*	2007 to 2012, 2014 to September 2015	Orissa High Court	*Net of amount paid under protest of ₹ 508 lakhs
Orissa Entry Tax Act, 1999	Entry Tax Interest and Penalty	259.41	October 2009	Commissioner of Sales Tax & GST	
Orissa Entry Tax Act, 1999	Entry Tax Demand	418.70	March 2006 to July 2008	Orissa High Court	
Orissa Entry Tax Act, 1999	Entry Tax Demand	6,494.81*	2002-03 to September 2015	National Company Law Appellate Tribunal	*Net of amount paid under protest of ₹ 35.21 lakhs
Odisha Irrigation Act, 1959	Interest on water charges	2,845.49	2008-2022	Orissa High Court	
Custom Act, 1962	Demand on rejection of transaction value on import of MOP	63.92*	2006 to 2008	Customs Excise and Service Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 7.10 lakhs
Custom Act, 1962	Denial of concessional rate basic custom duty	284.74	2001-2006	Customs Excise and Service Tax Appellate Tribunal	

## Annexure A to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Custom Act, 1962	Denial of concessional rate basic custom duty	148.28	2002-2004	Customs Excise and Service Tax Appellate Tribunal	
Custom Act, 1962	Penalty towards denial of concessional rate Counter veiling duty	25.10*	2010-2012	Customs Excise and Service Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 1.00 lakhs
Goa Cess Green	Non registering under Goa green Cess Act 2013	3,862.20*	2013-2019	Addl. Commissioner, CT and GST, Goa	*Net of amount paid under protest of ₹ 429.14 lakhs
Central Goods and Services Tax Act, 2017	Penalty towards wrongful availment of transitional credit	0.81*	2017-18	Commissioner (A), GST, West Bengal	*Net of amount paid under protest of ₹ 0.09 lakh

(viii) According to the information and explanations given to

us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate as defined

under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate (as defined under the Act).
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



## Annexure A to the Independent Auditor's Report (Contd.)

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and 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 standalone financial statements, 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 that the 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN:23055757BGYIHM4408

## **ANNEXURE B** to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2023

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act (Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Paradeep Phosphates Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 "Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override



**Annexure B to the Independent Auditor's Report (Contd.)**

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 with reference to financial statements to future periods are subject to the risk

that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN:23055757BGYIHM4408





# STANDALONE BALANCE SHEET

As at 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	4(a)	279,571.01	125,973.84
(b) Right-of-use assets	4(c)	1,619.27	-
(c) Capital work-in-progress	4(b)	69,686.32	33,629.46
(d) Goodwill	44	5,806.94	-
(e) Other intangible assets	4(d)	177.84	86.23
(f) Investment in associate	5(a)	365.61	365.61
(g) Other income tax assets(net)		1,106.62	1,236.50
(h) Other non-current assets	6	5,900.04	118,276.53
<b>Total non-current assets</b>		<b>364,233.65</b>	<b>279,568.17</b>
<b>II. Current assets</b>			
(a) Inventories	7	223,767.72	229,322.24
(b) Financial assets			
(i) Investments	5(b)	-	55,036.14
(ii) Trade receivables	8	368,973.75	90,247.54
(iii) Cash and cash equivalents	9(a)	4,303.42	53,784.10
(iv) Bank balances other than (iii) above	9(b)	6,681.98	5,987.37
(v) Other financial assets	10	33,718.27	33,844.36
(c) Other current assets	6	64,048.36	45,080.39
(d) Assets classified as held for sale	11	23.26	23.96
<b>Total current assets</b>		<b>701,516.76</b>	<b>513,326.10</b>
<b>Total assets (I+II)</b>		<b>1,065,750.41</b>	<b>792,894.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(a) Equity share capital	12	81,449.76	57,545.00
(b) Other equity	13	269,070.79	165,030.92
<b>Total equity</b>		<b>350,520.55</b>	<b>222,575.92</b>
<b>II. Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(a)	61,188.79	52,817.08
(ii) Lease liabilities	14(b)	1,603.78	-
(iii) Other financial liabilities	15	180.42	286.71
(b) Provisions	16	2,379.21	2,654.83
(c) Deferred tax liabilities (net)	17	10,778.02	9,218.11
<b>Total non-current liabilities</b>		<b>76,130.22</b>	<b>64,976.73</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(c)	401,921.53	242,612.49
(ii) Lease liabilities	14(b)	77.32	-
(iii) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		667.47	818.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises		190,580.20	226,521.11
(iv) Other financial liabilities	15	24,003.11	7,766.76
(b) Other current liabilities	19	11,554.50	14,900.85
(c) Provisions	16	9,000.56	7,524.57
(d) Current tax liabilities		1,294.95	5,197.08
<b>Total current liabilities</b>		<b>639,099.64</b>	<b>505,341.62</b>
<b>Total liabilities (1+2)</b>		<b>715,229.86</b>	<b>570,318.35</b>
<b>Total equity and liabilities (I+II)</b>		<b>1,065,750.41</b>	<b>792,894.27</b>

Summary of significant accounting policies

3

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023



# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Income</b>			
I. Revenue from operations	20	1,334,072.19	785,871.92
II. Other income	21	9,107.00	3,926.99
<b>III. Total income (I+II)</b>		<b>1,343,179.19</b>	<b>789,798.91</b>
<b>IV. Expenses</b>			
Cost of raw materials consumed	22	1,043,969.52	524,622.29
Purchase of stock-in-trade		18,226.12	142,828.18
Changes in inventories of finished goods, stock-in-trade and work in progress	23	(877.73)	(39,324.17)
Employee benefits expense	24	21,320.25	13,850.44
Finance costs	25	29,124.25	8,554.14
Depreciation and amortisation expense	26	17,515.31	9,045.72
Other expenses	27	171,335.01	76,784.20
<b>Total expenses (IV)</b>		<b>1,300,612.73</b>	<b>736,360.80</b>
<b>V. Profit before tax (III-IV)</b>		<b>42,566.46</b>	<b>53,438.11</b>
<b>VI. Tax expense</b>			
- Current tax	17	9,629.93	13,721.45
- Income tax charge for the earlier years (net)	17	333.15	-
- Deferred tax charge/(credit)	17	2,234.64	(67.54)
<b>Total tax expense</b>		<b>12,197.72</b>	<b>13,653.91</b>
<b>VII. Profit for the year (V-VI)</b>		<b>30,368.74</b>	<b>39,784.20</b>
<b>VIII. Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
a) Remeasurement gain/(loss) of the defined benefit plans		92.33	(61.92)
b) Income tax on above	17	(23.23)	15.58
<b>Total other comprehensive income/(loss) for the year</b>		<b>69.10</b>	<b>(46.34)</b>
<b>IX. Total comprehensive income for the year (VII + VIII)</b>		<b>30,437.84</b>	<b>39,737.86</b>
<b>X. Earnings per equity share (nominal value of ₹ 10 each)</b>			
Basic [in ₹]	28	3.89	6.91
Diluted [in ₹]	28	3.89	6.91

Significant accounting policies

2

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Membership No: 055757

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of

**Paradeep Phosphates Limited**

CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**

Managing Director

DIN: 00021965

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Sachin Patil**

Company Secretary

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**S.K. Poddar**

Chairman

DIN: 00008654

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**

Chief Financial Officer

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	42,566.46	53,438.11
<i>Adjustments for</i>		
Depreciation and amortisation expense	17,515.31	9,045.72
Finance costs	25,151.99	6,151.37
Interest income	(986.50)	(299.99)
Profit on sale of current investments	(93.36)	(635.85)
Gain on fair valuation of investments measured at fair value through profit or loss	-	(38.13)
Loss on sale / discard of property, plant and equipment (net)	1,511.90	1,289.42
Loss allowance	1,239.90	2,095.78
Bad debts, claims and advances written off	68.73	10.23
Unspent liabilities/provision no longer required written back	(6,883.44)	(1,727.47)
Foreign exchange fluctuation loss unrealised (net)	2,586.92	3,922.46
<b>Operating cash flow before working capital changes</b>	<b>82,677.91</b>	<b>73,251.65</b>
<b>Changes in working capital</b>		
Decrease/(increase) in inventories	14,748.72	(139,416.88)
Increase in trade receivables	(242,375.30)	(10,627.34)
Increase in financial and other assets	(4,033.41)	(51,707.35)
(Decrease)/increase in trade payables and other current liabilities	(74,426.45)	132,807.79
Decrease in provisions	(523.43)	(143.48)
<b>Cash generated from/(used in) operating activities</b>	<b>(223,931.96)</b>	<b>4,164.39</b>
Less: Income taxes paid (net of refunds)	(13,735.33)	(8,552.21)
<b>Net cash used in operating activities (A)</b>	<b>(237,667.29)</b>	<b>(4,387.82)</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	37.73	38.40
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(43,618.36)	(62,022.19)
Purchase of business	(53,700.00)	-
Investments in current investments - mutual funds	(440,021.35)	(537,889.63)
Proceeds from sale of current investments - mutual funds	495,150.85	495,731.47
Interest received	891.16	326.12
Investment in deposits with maturity of more than three months	(610.42)	(6,062.09)
<b>Net cash used in investing activities (B)</b>	<b>(41,870.39)</b>	<b>(109,877.92)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of share capital	97,506.79	-
Proceeds from non-current borrowings	43,921.48	57,247.95
Repayment of non-current borrowings	(18,217.42)	(6,611.19)
Proceeds from current borrowings	1,449,982.82	568,106.27
Repayment of current borrowings	(1,321,402.61)	(455,856.89)
Interest paid	(21,734.06)	(3,988.75)
<b>Net cash generated from financing activities (C)</b>	<b>230,057.00</b>	<b>158,897.39</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(49,480.68)</b>	<b>44,631.65</b>
<b>Cash and cash equivalents at the beginning of the year</b>	53,784.10	9,152.45
<b>Cash and cash equivalents at the end of the year (refer Note 9(a))</b>	<b>4,303.42</b>	<b>53,784.10</b>

The cashflow from operating activities in the above standalone statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023





## STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### (a) Equity share capital

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Balance at the beginning of the year</b>	575,450,000	57,545.00	5,754,500	57,545.00
Shares issued during the year	239,047,619	23,904.76	-	-
Changes in equity share capital during the year	-	-	569,695,500	-
<b>Balance at the end of the year</b>	<b>814,497,619</b>	<b>81,449.76</b>	<b>575,450,000</b>	<b>57,545.00</b>

### (b) Other equity

Particulars	As at 31 <sup>st</sup> March 2023				As at 31 <sup>st</sup> March 2022	
	Retained earnings	Securities premium	Share option outstanding reserve	Total other equity	Retained earnings	Total other equity
<b>Balance at the beginning of the year</b>	165,030.92	-	-	165,030.92	125,293.06	125,293.06
Profit for the year	30,368.74	-	-	30,368.74	39,784.20	39,784.20
Premium received on issue of shares during the year	-	73,404.20	-	73,404.20	-	-
ESOP reserve	-	-	197.83	197.83	-	-
Other comprehensive income for the year*	69.10	-	-	69.10	(46.34)	(46.34)
<b>Total for the year</b>	<b>30,437.84</b>	<b>73,404.20</b>	<b>197.83</b>	<b>104,039.87</b>	<b>39,737.86</b>	<b>39,737.86</b>
<b>Balance at the end of the reporting year</b>	<b>195,468.76</b>	<b>73,404.20</b>	<b>197.83</b>	<b>269,070.79</b>	<b>165,030.92</b>	<b>165,030.92</b>

\* Other comprehensive income included under retained earnings represents remeasurement of defined benefit plans (net of tax).

Refer note 13 for details on the nature and purpose of the reserve

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## CORPORATE AND GENERAL INFORMATION

Paradeep Phosphates Limited ('the Company') is a public company domiciled and headquartered in Bhubaneswar, India. Zuari Agro Chemicals Limited (ZACL) holds 28.05% of equity shares of Paradeep Phosphates Limited ('the Company') through its joint venture Zuari Maroc Phosphates Private Limited (ZMPPL) and is its largest shareholder alongwith OCP S.A.. PPL and ZACL have certain directors in common. It is incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacture of Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades, and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District Jagatsinghpur, Odisha and at Zuari Nagar, Goa. The Company is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. The Company caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers. The Company has one associate incorporated in Myanmar under the name of Zuari Yoma Agri Solutions Limited.

### 1. Basis of preparation

- (a) These financial statements are prepared in accordance with Indian Accounting Standards (IND AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values notified under the provisions of the Companies Act 2013 ("the Act") to the extent applicable. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting Standards), Rule, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied to all the years 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.

- (b) These Standalone Financial Statements are presented in Indian Rupees ("₹"), which is also the Company's functional and presentation currency. All amounts have been rounded off to the nearest Lakhs, unless otherwise indicated.

### 2. Significant accounting policies

#### (i) Classification of assets and liabilities into current/non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realised within twelve months after the reporting date; or (d) it 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. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) 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 liabilities have been classified as non-current.

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

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

#### (ii) Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, taxes, borrowing costs, if recognition criteria are met, and any directly attributable cost incurred to bring the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Replaced assets held for disposal are stated at lower of their carrying



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

amount and fair value less costs to sell, and depreciation on such assets ceases and shown under "Assets held for sale".

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Other indirect expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period, if any, is deducted from the total of the indirect expenditure.

### (iii) Depreciation on property, plant and equipment

- a. Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the Management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful life to provide depreciation on its property, plant and equipment based on technical evaluation done.

Class of Assets	Useful Lives estimated by the management (Years)
Buildings	30/60
Roads and culverts	3 to 5
Plants and equipments (Continuous process plant)	25
Plant and equipments (Non continuous process)*	5 to 20
Furniture, Fixtures & fittings*	2 to 10
Vehicles	8
Office equipments	3 to 6
Railway siding	15

\* Useful lives are different to the lives prescribed under Schedule II to the Companies Act, 2013.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. These are estimated by the management supported by independent assessment by professionals.

The Company has used the following useful life to provide depreciation on its property, plant and equipment relating Goa plant acquired as on 1 June 2022 based on technical evaluation done.

Class of Assets	Useful Lives estimated by the management (Years)
Buildings	11 to 43
Plants and equipments	More than 1 and upto 25
Furniture, Fixtures & fittings	More than 1 and upto 10
Vehicles	More than 1 and upto 10
Office equipments	More than 1 and upto 6
Railway siding	3 to 30

- b. Premium on land held on leasehold basis considered as Right of Use Asset is amortised over the period of lease.
- c. The classification of plant and machinery into continuous and non-continuous process is done as per technical certification by the management and depreciation thereon is provided accordingly.
- d. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (iv) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at the end of each reporting period. If the expected useful life of

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

the asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The following are the acquired intangible assets:  
Software:

The management of the Company assessed the useful life of software as finite and cost of software is amortised over their estimated useful life of three years on straight line basis.

### (v) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset (except inventories and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### (vi) Leases

At inception of the contract, the Company

assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset, whether specified explicitly or implicitly;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Company has right to direct the use of the asset by either having right to operate the asset or the Company having designed the asset in a way that predetermines how and for what purpose it will be used.

### Accounting as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The estimates of useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has elected not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on straight line basis over the lease term.

### (vii) Foreign currency transactions

#### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is Company's functional and presentation currency.

#### (b) Initial recognition

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction.

#### (c) Conversion

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial recognition.

#### (d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and

loss.

### (viii) Derivative financial instruments

#### *Initial recognition and subsequent measurement*

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

### (ix) Fair value measurement

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

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 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 the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics

and 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.

## (x) 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.

### Financial Assets

#### Initial recognition and measurement:

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables are measured at transaction price in accordance with Ind AS 115.

#### Subsequent measurement:

##### Financial assets being debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit and loss (FVTPL).

Debt instruments at amortised cost:

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI:

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### Impairment of Financial Assets:

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## Financial Liabilities

### **Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

### **Subsequent Measurement:**

The measurement of financial liabilities depends on their classification, as described below:

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are

substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **(xi) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### **(xii) Inventories**

- i. Inventories are valued at the lower of cost and net realizable value.
- ii. The cost is determined as follows:
  - (a) Raw Materials, Stores, Spare Parts, Chemical, Fuel Oil and Packing Materials: Weighted average method
  - (b) Intermediaries: Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity
  - (c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity including Excise Duty
  - (d) Traded goods: Weighted average method
- iii. By-products such as treated gypsum are measured at net realizable value, adjusted against the cost of main product.
- iv. Net realizable value is the estimated selling price including applicable subsidy in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.
- v. Materials and other items held for use in



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

### (xiii) Borrowing cost

Borrowing costs include interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### (xiv) Revenue Recognition

The Company earns revenue primarily from sale of fertilisers. The following specific criteria must also be met before revenue is recognised:

#### **Sale of goods**

At contract inception, Company assess the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods which is usually dispatch/delivery of goods, based on

contracts with customers. There is no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

#### **Contract balances**

##### Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (x) to significant accounting policies on Financial instruments – initial recognition and subsequent measurement.

##### Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Subsidy income**

Concessions in respect of Urea as notified under the New Pricing Scheme is recognised with adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for DAP, Muriate of Potash (MOP) and Complex Fertilizers are recognised as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time, where there is reasonable assurance of complying with the conditions of the policy.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Subsidy on freight charges for DAP, MOP and Complex Fertilizers is recognised based on rates notified by the Government of India with the known policy parameters in this regard and included in subsidy.

### Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable EIR. Claims receivable on account of interest from dealers on delayed payments are accounted for to the extent the Company is reasonably certain of their ultimate collection.

### Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

### Insurance claims

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

### (xv) Government grants and subsidies

Grants and subsidies [other than subsidy income considered in point (xiv) above] from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs,

which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

### (xvi) Employee benefits

#### Share-based payments

Share-based compensation benefits are provided to employees via PPL Employees Stock Option Plan 2021 ("ESOP 2021"). The fair value of the options granted under ESOP 2021 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

#### Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### Defined Contribution Plan

Retirement benefit in the form of contribution to pension fund, superannuation fund and national pension scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to these schemes. The Company recognises contribution payable



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

to these fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### Defined Benefit Plans

- i) Liability for Gratuity and Post Retirement Medical Benefits are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan and post employment medical benefit plan has been funded by policy taken from Life Insurance Corporation of India.
- ii) Liability for Provident fund is provided for on the basis of actuarial valuation carried at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are

not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

### Other long term benefits

Liability for accumulated compensated absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The Company measures the expected cost of accumulated compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose.

### (xvii) Income tax

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current tax liability. Accordingly, MAT is recognised 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 realised.

### (xviii) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

### (xix) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

### (xx) Contingent liabilities

A contingent liability 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 wholly within the control of the enterprise. A contingent liability is also a present obligation that arises from past events but outflow of resources embodying economic benefits is not probable.

### (xxi) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

### (xxii) Business combinations

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### (xxiii) Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### 3A. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates

and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The changes in estimates are made as the management becomes aware of such changes. The changes in estimates are recognised in the period in which the estimates are revised.

#### i) Defined benefit plans

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 32.

#### ii) Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date. Refer Note 4(a).

#### iii) Fair value measurement of financial instruments.

Refer Note 34 for information about fair value measurement.

#### iv) Revenue recognition

The Company provides various rebates and incentives to the customers. In estimating the same, the Company is required to use either the expected value method or the most likely

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

method. The Company determined that the expected value method is the appropriate method for determining estimates to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical experience and business forecast and current market conditions. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value thereof.

- v) Fair value of assets and liabilities acquired on business combination

Refer Note 44 for information about fair values of assets and liabilities acquired on business combination.

- vi) Provisions and contingencies

Refer Note 29 for key assumptions about likelihood and magnitude of an outflow of economic resources in relation to recognition and measurement of contingent liabilities.

### 3B. Standards issued but not yet effective

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 31<sup>st</sup> March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 4(a) : Property, plant and equipment

### Reconciliation of carrying amount

	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Railway siding	Total (A)
<b>Balance as at 1<sup>st</sup> April 2021</b>	39.84	584.90	39,617.10	660.37	115,081.08	395.72	472.04	932.81	657.92	<b>158,441.78</b>
Additions during the year	-	-	322.16	337.23	12,228.28	26.60	108.38	107.82	188.92	<b>13,319.39</b>
Disposals/ discard during the year	-	-	6.82	-	1,586.82	9.39	56.93	25.83	-	<b>1,685.79</b>
Adjustment (refer note 4 below)	-	-	-	-	488.37	-	-	-	-	<b>488.37</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>39.84</b>	<b>584.90</b>	<b>39,932.44</b>	<b>997.60</b>	<b>126,210.91</b>	<b>412.93</b>	<b>523.49</b>	<b>1,014.80</b>	<b>846.84</b>	<b>170,563.75</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	39.84	584.90	39,932.44	997.60	126,210.91	412.93	523.49	1,014.80	846.84	<b>170,563.75</b>
Additions during the year	-	-	89.23	9.77	22,341.37	41.56	231.74	233.20	197.49	<b>23,144.36</b>
Adjustment on account of business acquisition (refer Note 44)	-	43,240.00	5,066.10	-	96,325.25	63.80	201.56	379.36	1,687.69	<b>146,963.76</b>
Disposals/ discard during the year	-	-	-	-	2,062.01	9.33	87.86	14.37	0.67	<b>2,174.24</b>
Adjustment (refer note 4 below)	-	-	-	-	2,348.81	-	-	-	-	<b>2,348.81</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>39.84</b>	<b>43,824.90</b>	<b>45,087.77</b>	<b>1,007.37</b>	<b>245,164.33</b>	<b>508.96</b>	<b>868.93</b>	<b>1,612.99</b>	<b>2,731.35</b>	<b>340,846.44</b>
	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Railway siding	Total (A)
<b>Accumulated depreciation</b>										
<b>Balance as at 1<sup>st</sup> April 2021</b>	2.82	-	4,348.53	187.10	30,369.50	218.87	162.54	506.23	135.77	<b>35,931.36</b>
Charge for the year	0.44	-	1,385.13	112.30	7,271.65	40.93	58.74	108.74	38.95	<b>9,016.88</b>
Deductions	-	-	1.74	-	304.57	6.06	22.75	23.21	-	<b>358.33</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>3.26</b>	<b>-</b>	<b>5,731.92</b>	<b>299.40</b>	<b>37,336.58</b>	<b>253.74</b>	<b>198.53</b>	<b>591.76</b>	<b>174.72</b>	<b>44,589.91</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	3.26	-	5,731.92	299.40	37,336.58	253.74	198.53	591.76	174.72	<b>44,589.91</b>
Charge for the year	0.44	-	1,568.83	148.16	14,999.34	70.35	124.50	276.73	122.48	<b>17,310.83</b>
Deductions	-	-	-	-	564.38	8.04	42.27	10.62	-	<b>625.31</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>3.70</b>	<b>-</b>	<b>7,300.75</b>	<b>447.56</b>	<b>51,771.54</b>	<b>316.05</b>	<b>280.76</b>	<b>857.87</b>	<b>297.20</b>	<b>61,275.43</b>
<b>Net Carrying amount</b>										
Balance as at 31 <sup>st</sup> March 2022	36.58	584.90	34,200.52	698.20	88,874.33	159.19	324.96	423.04	672.12	125,973.84
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>36.14</b>	<b>43,824.90</b>	<b>37,787.02</b>	<b>559.81</b>	<b>193,392.79</b>	<b>192.91</b>	<b>588.17</b>	<b>755.12</b>	<b>2,434.15</b>	<b>279,571.01</b>

\* Company is in the process of executing conveyance deed / patta for land measuring 178.06 acres amounting to ₹27.94 Lakhs

Item of Balance Sheet	Description of Item	Gross Carrying Value	Title deed in favour of	If in the name of director etc.	Property held since	Reason of not being held in the name of the company
Property, Plant and equipment	Freehold land	27.94	NA	NA	1982-85	Delay on account of administrative formalities

### Notes:

- Refer Note 14(a) and 14(c) relating to borrowings in respect of property, plant and equipment provided as security against those borrowings.
- Refer Note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation rate relating to general borrowings was at 7.88% (31<sup>st</sup> March 2022: 7.22%).
- Adjustments include adjustment on account of borrowing costs and foreign exchange fluctuations.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## 4(b) Capital work-in-progress

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Opening balance	33,629.46	22,005.97
Add: Addition during the year	48,557.23	25,431.25
Adjustment: on account of business acquisition (refer Note 44)	12,992.80	-
Less: Capitalisation during the year	25,493.17	13,807.76
Closing balance	<b>69,686.32</b>	<b>33,629.46</b>

Closing balance includes other direct capital expenditure (pending allocation) ₹ 4,685.65 (31<sup>st</sup> March 2022: ₹ 3,244.34).

## CWIP Ageing Schedule

As at 31<sup>st</sup> March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	49,585.20	14,013.52	3,100.90	2,986.70	69,686.32
Projects temporarily suspended	-	-	-	-	-

As at 31<sup>st</sup> March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	15,885.33	7,699.53	5,449.42	4,595.18	33,629.46
Projects temporarily suspended	-	-	-	-	-

**Details of projects forming part of CWIP and which have become overdue compared to their original plans or where cost is exceeded compared to original plans**

As at 31<sup>st</sup> March 2023

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
4 <sup>th</sup> Evaporator of Phosphoric acid plant	5,946.09	-	-	-
Phosphoric acid plant expansion	17,941.93	-	-	-
Sulphuric acid plant	-	12,137.28	-	-

As at 31<sup>st</sup> March 2022

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
DAP Revamp	8,514.07	-	-	-
4 <sup>th</sup> Evaporator of Phosphoric acid plant	4,779.88	-	-	-
Phosphoric Acid Plant Expansion	10,533.04	-	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### 4(c) Right of use assets

Particulars	Right of use building	Right of use Land	Total Right of use assets
<b>As at 1<sup>st</sup> April 2022</b>	-	-	-
<b>Adjustments-on account of business acquisition (refer Note 44)</b>	<b>112.61</b>	<b>1,384.83</b>	<b>1,497.44</b>
Additions	112.44	125.11	<b>237.55</b>
<b>Total</b>	<b>225.05</b>	<b>1,509.94</b>	<b>1,734.99</b>
<b>Depreciation</b>			
<b>As at 1<sup>st</sup> April 2022</b>	-	-	-
Charge for the year	18.06	97.66	<b>115.72</b>
<b>Total</b>	<b>18.06</b>	<b>97.66</b>	<b>115.72</b>
<b>Net block</b>			
<b>As at 31<sup>st</sup> March 2023</b>	<b>206.99</b>	<b>1,412.28</b>	<b>1,619.27</b>

### 4(d) Intangible assets

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	Computer Software	Computer Software
<b>Gross block</b>		
Balance as at beginning of the year	425.88	421.36
Additions during the year	104.24	4.52
Disposals/discard during the year	-	-
Adjustments - on account of business acquisition (refer Note 44)	76.13	-
<b>Balance as at end of the year</b>	<b>606.25</b>	<b>425.88</b>
<b>Amortisation</b>		
Balance as at beginning of the year	339.65	310.81
Amortisation for the year	88.76	28.84
Deductions	-	-
Adjustments	-	-
<b>Balance as at end of the year</b>	<b>428.41</b>	<b>339.65</b>
<b>Net carrying amount as at end of the year</b>	<b>177.84</b>	<b>86.23</b>

### Note 5(a): Investment in associate

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	<b>Investment in associate</b>	
Unquoted investment in equity share at cost 512,500 (31 <sup>st</sup> March 2022: 512,500) ordinary shares of USD 1 each fully paid up of Zuari Yoma Agri Solutions Limited	365.61	365.61
<b>Net investment in associate</b>	<b>365.61</b>	<b>365.61</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 5(b): Investments

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of units	Amount	No. of units	Amount
<b>Mutual fund investments at fair value through profit or loss (unquoted)</b>				
Aditya Birla Money Manager Fund-direct	-	-	3,181,226.54	9,509.02
Axis Money Market Fund - Direct Plan	-	-	781,880.89	9,005.59
Nippon India Money Market Fund - Direct Growth Plan Growth Option	-	-	403,202.90	13,509.57
HDFC Mutual Fund - Money Market -Direct Growth	-	-	107,466.46	5,002.35
Kotak Mutual Fund - Money Market Fund	-	-	234,859.14	8,503.57
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	3,097,497.25	9,506.04
<b>Total investments</b>		-		<b>55,036.14</b>

## Note 6: Other Non Current Assets and Current Assets

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
Capital advances				
Related parties (refer Note 33)	1,124.19	-	112,656.46	-
Others	3,754.15	-	4,798.38	-
Advance to vendors:				
Related parties (refer Note 33)	-	150.53	-	1.34
Others	-	2,850.22	-	2,636.66
Less: Loss allowance	-	(32.00)	-	(32.00)
Claims receivable	218.28	2,902.37	218.28	1,620.11
Less: Loss allowance	(218.28)	-	(218.28)	-
Balance with statutory / government authorities	-	52,482.32	-	36,682.67
Prepaid expenses	7.16	2,218.14	64.40	1,423.94
Sales tax & entry tax deposits	8.01	3,050.98	8.01	2,596.52
Less: Loss allowance	(8.01)	-	(8.01)	-
Other deposits				
Related parties (refer Note 33)	89.32	-	42.00	-
Others*	925.22	425.80	715.29	151.15
<b>Total other assets</b>	<b>5,900.04</b>	<b>64,048.36</b>	<b>118,276.53</b>	<b>45,080.39</b>

\* Includes primarily deposits with vendors, service providers etc.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 7: Inventories

(Valued at the lower of cost and net realisable value)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw materials	105,702.78	137,959.00
Finished goods	80,537.48	24,941.42
Traded goods	2,708.37	35,650.63
Intermediates (work in progress)	9,373.92	10,991.95
Stores, spare parts, chemical and fuel oil	11,595.81	5,604.36
Packing materials	647.67	990.96
By-Products	13,201.69	13,183.92
<b>Total inventories</b>	<b>223,767.72</b>	<b>229,322.24</b>

### Note:

- Inventories are pledged against the borrowings as further explained in Note 14(a) and 14(c).
- The cost of inventories recognised as expense includes ₹2,721.52 (31<sup>st</sup> March 2022: Nil) in respect of write down of inventories to net realisable value.
- Inventories includes inventories in transit as at the balance sheet date as under:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw materials	44,355.69	69,359.06
Finished goods	22,698.02	7,630.77
Traded goods	-	34,984.38
Stores and spare parts	1,719.00	1,000.67
<b>Total inventories in transit</b>	<b>68,772.71</b>	<b>112,974.88</b>

## Note 8: Trade receivables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade receivables considered good - secured	4,922.03	105.28
Trade receivables - unsecured*	354,630.88	92,154.68
From related parties (refer Note 33)		
Trade receivables considered good - unsecured	15,171.71	2,502.61
<b>Total trade receivables</b>	<b>374,724.62</b>	<b>94,762.57</b>
Less: Loss allowance	(5,750.87)	(4,515.03)
<b>Net trade receivables (refer note 'a' below)</b>	<b>368,973.75</b>	<b>90,247.54</b>

Trade receivables are carried at amortised cost which are a reasonable approximation of their fair value.

### \* Trade receivables - unsecured

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade receivable considered good	351,178.01	89,750.76
Trade receivables - which have significant increase in credit risk	3,452.87	2,403.92
<b>Total trade receivables unsecured</b>	<b>354,630.88</b>	<b>92,154.68</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- Includes subsidy receivable from the Government of India amounting to ₹ 306,937.59 (31<sup>st</sup> March 2022: ₹ 87,555.69)
- Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 14(a) and 14(c).
- Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35.

### Trade Receivable ageing schedule:

As at 31<sup>st</sup> March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables - considered good	293,117.22	59,231.82	1,596.19	2,401.62	1,527.54	8,037.84	365,912.23
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	5,359.52	5,359.52
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	902.72	165.43	2,384.72	3,452.87
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Gross trade receivable							374,724.62

As at 31<sup>st</sup> March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables - considered good	71,558.30	8,666.24	254.46	1,376.02	688.82	4,455.29	86,999.13
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	5,359.52	5,359.52
(v) Disputed Trade receivables - which have significant increase in credit risk	-	484.74	-	244.22	145.43	1,529.53	2,403.92
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Gross trade receivable							94,762.57



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### Note 9(a): Cash and cash equivalents

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Balances with banks		
- On current accounts	23.46	26.23
- On cash credit accounts	4,279.76	3,583.16
- Deposit with original maturity of less than three months	-	50,174.52
Cash on hand	0.20	0.19
<b>Total cash and cash equivalents</b>	<b>4,303.42</b>	<b>53,784.10</b>

### Note 9(b): Bank balances other than above

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
- Deposits with banks with original maturity of more than three months and less than twelve months*	6,681.98	5,987.37
<b>Total bank balances other than above</b>	<b>6,681.98</b>	<b>5,987.37</b>

Bank balances other than above are carried at amortised cost which are a reasonable approximation of their fair value.

\*Pledged with Executive Engineer, Mahanadi South Division as security deposit ₹185.55 (31<sup>st</sup> March 2022: ₹343.89), against bank guarantee issued in favour of Regional Director, ESI Corporation, bhubaneswar ₹5.51 (31<sup>st</sup> March 2022: ₹ 5.00), against bank guarantee issued in favour of East Coast Railway : nil (31<sup>st</sup> March 2022: ₹291.16), cash margin fixed deposit issued against usance LC for supply of imported raw materials, capex and repayment of long term loan: ₹ 6,490.92 (31<sup>st</sup> March 2022: ₹5,347.32).

### Note 10: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Derivative instruments at fair value through profit or loss</b>				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	-	453.37
<b>Other financial asset at amortised cost*</b>				
Claims receivable:				
Related parties (refer Note 33)	-	32,556.51	-	32,583.56
Others	209.79	31.40	209.79	449.24
Less: Loss allowance	(209.79)	-	(209.79)	-
Interest receivable on deposits, receivables, etc.:				
Related parties (refer Note 33)	-	55.63	-	-
Others	-	71.05	-	31.34
Receivables from Gas pool operator	-	961.03	-	-
Other receivable				
Related parties (refer Note 33)	-	42.65	-	326.85
<b>Total other financial assets</b>	<b>-</b>	<b>33,718.27</b>	<b>-</b>	<b>33,844.36</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 11: Assets classified as held for sale

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Discarded property, plant and equipment	23.26	23.96
<b>Total assets classified as held for sale</b>	<b>23.26</b>	<b>23.96</b>

Assets held for sale represent property, plant and equipment discarded. The Company expects to dispose it off in next one year.

## Note 12: Equity share capital

### (a) Details of authorised, issued, subscribed and fully paid up share capital:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Authorised share capital</b>		
900,000,000 (31 <sup>st</sup> March 2022: 900,000,000) equity shares of ₹ 10 each (31 <sup>st</sup> March 2022: ₹ 10 each)	90,000.00	90,000.00
10,000,000 (31 <sup>st</sup> March 2022: 10,000,000) 7% Non cumulative Redeemable preference shares of ₹ 100/- each (31 <sup>st</sup> March 2022: ₹100 each)	10,000.00	10,000.00
<b>Total authorised share capital</b>	<b>100,000.00</b>	<b>100,000.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
814,497,619 (31 <sup>st</sup> March 2022: 575,450,000) equity shares of ₹ 10 (31 <sup>st</sup> March 2022: ₹10) each fully paid	81,449.76	57,545.00
<b>Total equity share capital</b>	<b>81,449.76</b>	<b>57,545.00</b>

### (b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
Balance at the beginning of the year	57,54,50,000	57,545.00	57,54,500	57,545.00
Changes during the year	23,90,47,619	23,904.76	56,96,95,500	-
Balance at the end of the year	81,44,97,619	81,449.76	57,54,50,000	57,545.00

### (c) Terms/ rights attached to equity shares:

- 1) The Company has only one class of equity share having par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.
- 2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the respective shareholders.

### (d) Shares held by holding company are as below:

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
<b>Name of shareholder</b>				
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as Zuari Maroc Phosphates Limited (ZMPL))	45,69,42,507	45,694.25	46,29,61,000	46,296.10

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### (e) Details of equity shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.10%	46,29,61,000	80.45%
President of India - Government of India (GOI)	-	-	11,24,89,000	19.55%
SBI Multicap Fund	4,76,68,663	5.85%		

(f) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(g) As per records of the company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

### (h) Stock option schemes

Information relating to Employee Stock Option Plan, including details of options granted and lapsed during the financial year and options outstanding at the end of the reporting period is set out in Note 42(a).

### (i) Details of shareholding of promoters:

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		Reduction of shareholding % of change	As at 31 <sup>st</sup> March 2022	
	Number of equity shares	% of total shares in the class		Number of equity shares	% of total shares in the class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.10%	24.35%	46,29,61,000	80.45%
President of India - Government of India (GOI)	-	-		11,24,89,000	19.55%

# There is a reduction of 24.35% of shareholdings by the promoters during the year (no change in 2021-22).

### Note 13: Other equity

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Retained earnings	195,468.76	165,030.92
- Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/ loss of defined benefit plans.		
Securities premium	73,404.20	-
- Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.		
Share option outstanding reserve	197.83	-
- This reserve relates to stock options granted by the company to eligible employees under PPL Employees Stock Option Plan 2021 ("ESOP 2021"). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.		
<b>Total other equity</b>	<b>269,070.79</b>	<b>165,030.92</b>

Refer standalone statement of changes in equity for movement in retained earnings during the years.

### Proposed dividend on equity shares not recognised as liability \*

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Proposed final dividend	4,072.49	-

The Board of Directors has recommended a dividend of 5% i.e. ₹0.50 per equity share of ₹10 each fully paid up.

\* Proposed dividend on equity shares is subject to approval of shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 14(a): Non-Current Borrowings

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current Maturities	Non-current	Current Maturities
<b>Secured</b>				
Rupee term loan from banks	61,188.79	35,893.02	52,817.08	16,769.79
Amount of current maturities disclosed under the head "current borrowings" (refer note 14(c))	-	(35,893.02)	-	(16,769.79)
<b>Total non-current borrowings</b>	<b>61,188.79</b>	<b>-</b>	<b>52,817.08</b>	<b>-</b>

Non-Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

### Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets.	Repayable in 20 quarterly instalments commenced from 31 <sup>st</sup> December 2018, of which first 8 quarterly instalments are of ₹ 500.00, next 4 quarterly instalments of ₹ 1,000.00 and remaining 8 quarterly instalments of ₹ 1,500.00	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.00% 8.35%
Rupee term loan from- Bank of India	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets.	Repayable in 16 quarterly instalments of ₹ 1,337.50 commencing from 30 <sup>th</sup> September 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	7.75% 7.55%
Rupee term loan from Axis Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 7 quarterly instalments of ₹ 2,698.00 commencing from 4 <sup>th</sup> April 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.30% -
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 16 quarterly instalments of ₹ 937.50 commencing from 31 <sup>st</sup> March 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	10.35% 8.20%
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of movable properties	Repayable in 10 quarterly instalments of ₹ 1,500.00 commencing from 31 <sup>st</sup> March 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.75% 7.25%
Rupee term loan from- SBI	First pari passu with the mortgages and charges created in respect of fixed assets and second pari passu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 850.00 commencing from 1 <sup>st</sup> October 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.85% 9.00%





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- HDFC	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 650.00 commencing from 1 <sup>st</sup> September 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.00% -
Rupee term loan from- Indian Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 325.00 commencing from 1 <sup>st</sup> December 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.85% -
Rupee term loan from- Canara Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 1,640.00 commencing from 1 <sup>st</sup> January 2025.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.90% -

### Note 14(b): Lease Liabilities

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
Lease Liabilities*	1,603.78	77.32	-	-
<b>Total non-current borrowings</b>	<b>1,603.78</b>	<b>77.32</b>	-	-

\* Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 <sup>st</sup> March 2023
<b>Opening</b>	-
<b>Adjustments-on account of business acquisition (refer Note 44)</b>	1,444.10
Additions	285.79
<b>Accretion of interest</b>	98.16
Payments	(146.95)
<b>Closing</b>	<b>1,681.10</b>

The effective interest rate for lease liabilities is 7.43%, with maturity between 2022-2048.

### Maturity profile of lease liability

Ageing	Total rent payments	Interest payment	Net Amount
Less than 1 year	199.60	122.28	<b>77.32</b>
1-3 years	622.43	327.41	<b>295.02</b>
3-5 years	431.75	176.80	<b>254.95</b>
> 5 years	1,838.07	784.26	<b>1,053.81</b>
<b>Total</b>	<b>3,091.85</b>	<b>1,410.75</b>	<b>1,681.10</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 14(c): Current Borrowings

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>From banks:</b>		
<b><u>Secured</u></b>		
<b>Loans repayable on demand</b>		
Cash credit	-	16.64
<b>Other loans</b>		
Working capital demand loan	80,016.30	-
Buyer's credit	124,943.60	132,502.88
Supplier's credit	133,900.61	67,323.18
Local bills discounted with bank	19,981.32	-
Other loans from bank	6,250.00	25,000.00
Current maturity of non-current borrowings	35,893.02	16,769.79
<b><u>Unsecured</u></b>		
Other loans from bank	936.68	1,000.00
<b>Total current borrowings</b>	<b>401,921.53</b>	<b>242,612.49</b>

Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

### Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period	Principal Amount	Effective interest rate
Cash credit (secured)	First charge by way of hypothecation on all current assets	Repayable on demand	31 <sup>st</sup> March 2023	-	8.85%
			31 <sup>st</sup> March 2022	16.64	8.15%
Working capital demand loan (WCDL) (secured)	and second charge on all immovable & movable properties of the Company (other than certain current assets hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis.	Repayable over a period of 11 to 91 days	31 <sup>st</sup> March 2023	80,016.30	8.24%
			31 <sup>st</sup> March 2022	-	-
Supplier's credit(secured)/ buyer's credit (secured)	of the Company (other than certain current assets hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis.	Repayable over a period of 7 to 180 days	31 <sup>st</sup> March 2023	258,844.21	6 month LIBOR/SOFR plus 0.25% to 0.75%
			31 <sup>st</sup> March 2022	199,826.06	6 month LIBOR /SOFR plus 0.10% to 0.75%
Local Bills discounted with bank (secured)	pledged in favour of banks by way of first charge) both present and future on pari-passu basis.	Repayable over a period of 91 to 180 days	31 <sup>st</sup> March 2023	19,981.32	8.23%
			31 <sup>st</sup> March 2022	-	-
Others loans (secured)	The loan is secured against 100% fixed deposit	Repayable over a period of 90 to 180 days	31 <sup>st</sup> March 2023	6,250.00	7.35%
			31 <sup>st</sup> March 2022	25,000.00	4.70%
Others Loans (unsecured)	Unsecured	Repayable on demand	31 <sup>st</sup> March 2023	936.68	7.51%
			31 <sup>st</sup> March 2022	1,000.00	7.51%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### Details of securities as reported in the books vis-à-vis quarterly return:

Particulars of securities	Name of the bank	Quarter	Amount as per books of accounts	Amount as reported in the qtrly return	Amount of difference	Reason of material difference
Inventory	State Bank of India	Jun-22	172,363.84	177,322.02	(4,958.17)	Difference in inventory on account of provisional valuation and non consideration of certain items of stores and spares, Difference in receivables and other assets is on account of setoff/ reclassification of current asset and current liability.
Receivables			268,278.21	268,203.00	75.21	
Other Current Assets			52,426.04	60,530.03	(8,103.99)	
<b>Total</b>			<b>493,068.09</b>	<b>506,055.05</b>	<b>(12,986.95)</b>	
Inventory	State Bank of India	Sep-22	265,742.23	270,524.02	(4,781.79)	Difference in receivables and other assets is on account of setoff/ reclassification of current asset and current liability.
Receivables			310,969.30	317,776.46	(6,807.16)	
Other Current Assets			52,610.33	37,241.41	15,368.92	
<b>Total</b>			<b>629,321.86</b>	<b>625,541.89</b>	<b>3,779.97</b>	
Inventory	State Bank of India	Dec-22	264,794.51	265,871.95	(1,077.44)	Difference in receivables and other assets is on account of setoff/ reclassification of current asset and current liability.
Receivables			378,190.83	379,014.19	(823.36)	
Other Current Assets			51,494.68	44,632.34	6,862.34	
<b>Total</b>			<b>694,480.02</b>	<b>689,518.47</b>	<b>4,961.55</b>	

### Note 15: Other financial liabilities

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Derivatives not designated as hedges</b>				
Foreign-exchange forward contracts	-	1,628.93	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	-	1,628.93	-	-
<b>Other financial liabilities at amortised cost*</b>				
Earnest money/Security deposits				
Others	-	12,804.58	-	3,166.26
Employee related dues	180.42	3,886.71	286.71	2,558.41
Creditors for property, plant and equipments (including retention money from contractors/suppliers)				
Related Parties (refer Note 33)	-	-	-	42.53
Others	-	1,764.38	-	1,740.65
Interest accrued but not due on borrowings	-	2,483.62	-	258.91
Payable against business acquisition (refer Note 33)	-	1,434.89		
<b>Total other financial liabilities at amortised cost</b>	<b>180.42</b>	<b>22,374.18</b>	<b>286.71</b>	<b>7,766.76</b>
<b>Total other financial liabilities</b>	<b>180.42</b>	<b>24,003.11</b>	<b>286.71</b>	<b>7,766.76</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 16: Provisions

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Provision for employee benefits* (refer Note 32)</b>				
Post retirement medical benefits	143.29	11.15	154.91	11.12
Gratuity	465.99	72.09	1,548.14	222.91
Leave salary	-	5,269.33	-	3,832.40
<b>Other provisions (refer Note 'a' below)</b>				
Contractors	1,769.93	-	951.78	-
Others				
- Capital expenditure	-	250.18	-	250.18
- Others	-	3,397.81	-	3,207.96
<b>Total provisions</b>	<b>2,379.21</b>	<b>9,000.56</b>	<b>2,654.83</b>	<b>7,524.57</b>

\* The classification of current/non current for provision for employee benefits has been determined by the actuary of the Company, based upon estimated amount of cash outflow during the next 12 months from the balance sheet date.

### Note a: The movement for "Other provisions" during the year is as follows:

Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset"

#### Capital expenditure

	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Capital Expenditure **	Contractors	Others **	Capital Expenditure **	Contractors	Others **
Opening balance	250.18	951.78	3,207.96	250.18	595.87	3,023.88
Adjustment on account of business acquisition (refer Note 44)	-	829.24	-	-	-	-
Provision made during the year	-	(11.09)	189.85	-	355.91	184.08
	<b>250.18</b>	<b>1,769.93</b>	<b>3,397.81</b>	<b>250.18</b>	<b>951.78</b>	<b>3,207.96</b>

#### \*\* Closing balance includes the following provisions

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Capital Expenditure **	Others **	Capital Expenditure **	Others **
Ground rent (refer note i below)	-	2,876.70	-	2,693.56
Land compensation (including interest) (refer note ii below)	250.18	-	250.18	-
Employees' state insurance (refer note iii below)	-	227.67	-	220.96
Provision for others (freight claims)	-	293.44	-	293.44
	<b>250.18</b>	<b>3,397.81</b>	<b>250.18</b>	<b>3,207.96</b>

- The Land Policy of Port land has been revised as per the Land Policy Guidelines issued by the Ministry of Shipping, Government of India. Pursuant to the said policy and pending outcome of negotiation with Paradeep Port Trust, the Company has made provision towards ground rent, interest and taxes amounting to ₹ 2,876.70 (31<sup>st</sup> March 2022: ₹ 2,693.56) against the demand raised by Paradeep Port Trust.
- In terms of meeting for amicable settlement of dispute the additional compensation to the land losers, under the chairmanship of the Collector and District Magistrate, Jagatsinghpur, it was decided to pay additional compensation at the rate fixed to the claimants through the Special Land Acquisition Officer (Spl. LAO), Government of Odisha. Since the disbursement process to land losers had started in the financial year 2010-11 through Spl. LAO, the Company had accounted for total estimated liability of ₹ 566.01 (including interest of ₹ 418.01) during the financial year 2010-11. The outstanding liability as on 31<sup>st</sup> March 2023 stands at ₹ 250.18 (31<sup>st</sup> March 2022: ₹ 250.18) after making payment to Spl. LAO.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- iii. Employees' State Insurance Corporation (ESIC) raised various demands against the Company in respect of both contract labourers and employees in earlier years, which were contested by the Company in various Courts and Authorities. The Company is continuing with the provision existing in the books as on 31<sup>st</sup> March 2023 as ₹ 227.67 (31<sup>st</sup> March 2022: ₹ 220.96)

### Note 17: Income Tax

#### A. Amount recognised in the profit or loss

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current tax expense :</b>		
Current year	9,629.93	13,721.45
Income tax for earlier year	333.15	-
<b>Deferred tax charge / (credit):</b>		
Relating to origination and reversal of temporary differences	2,234.64	(67.54)
<b>Total tax expense</b>	<b>12,197.72</b>	<b>13,653.91</b>

#### B. Amount recognised in the Other Comprehensive Income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Deferred tax charge / (credit) to remeasurement of defined benefit liability	23.23	(15.58)

#### C. Reconciliation of effective tax rate

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Profit before income tax from continuing operations</b>	42,566.46	53,438.11
Profit before income tax	<b>42,566.46</b>	<b>53,438.11</b>
At India's statutory income tax rate of 25.168%	10,713.13	13,449.30
<b>Tax effects of amount which are not deductible / (taxable) in calculating taxable income -</b>		
CSR expenditure	189.85	142.40
Interest on income tax under Section 220(2) of IT Act 1961	-	(70.63)
Interest under Section 234B/234C	29.56	121.94
Impact of reassessment of Carrying value of assets	141.97	-
On stamp duty	772.63	-
Others	17.43	10.90
<b>Effective tax charge</b>	<b>11,864.57</b>	<b>13,653.91</b>
Add: Tax impact for earlier years	333.15	-
<b>Tax expenses as per the Statement of Profit and Loss</b>	<b>12,197.72</b>	<b>13,653.91</b>

Note: As impact of deferred tax of ₹697.96 on opening 43B items and provision for doubtful debt is adjusted against goodwill, the same is not adjusted with tax expenses of current year.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## D. Movement in Deferred tax balances

	Balance as at 1 <sup>st</sup> April 2022	Recognised in profit or loss	Recognised in OCI	On account of business acquisition	Balance as at 31 <sup>st</sup> March 2023
<b>Deferred tax liabilities</b>					
Property, plant and equipment (including intangible assets)	14,110.91	2,120.72	-	-	16,231.63
On account of statutory dues	641.47	8.87	-	-	650.34
<b>Total deferred income tax liabilities</b>	<b>14,752.38</b>	<b>2,129.59</b>	<b>-</b>	<b>-</b>	<b>16,881.97</b>
<b>Deferred tax assets</b>					
Effect of loss allowance	1,254.25	231.04	-	80.02	1,565.31
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,602.07	(382.22)	(23.23)	617.94	3,814.56
Provision for other liabilities	677.95	46.13	-	-	724.08
<b>Total deferred income tax assets</b>	<b>5,534.27</b>	<b>(105.05)</b>	<b>(23.23)</b>	<b>697.96</b>	<b>6,103.95</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>9,218.11</b>	<b>2,234.64</b>	<b>23.23</b>	<b>(697.96)</b>	<b>10,778.02</b>

## E. Movement in Deferred tax balances

	Balance as at 1 <sup>st</sup> April 2021	Recognised in profit or loss	Recognised in OCI	Balance as at 31 <sup>st</sup> March 2022
<b>Deferred tax liabilities</b>				
Property, plant and equipment (including intangible assets)	13,933.52	177.39	-	14,110.91
On account of statutory dues	641.47	-	-	641.47
<b>Total deferred income tax liabilities</b>	<b>14,574.99</b>	<b>177.39</b>	<b>-</b>	<b>14,752.38</b>
<b>Deferred tax assets</b>				
Effect of loss allowance	993.48	260.77	-	1,254.25
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,646.95	(60.46)	15.58	3,602.07
Provision for other liabilities	633.33	44.62	-	677.95
MAT credit entitlement	-	-	-	-
<b>Total deferred income tax assets</b>	<b>5,273.76</b>	<b>244.93</b>	<b>15.58</b>	<b>5,534.27</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>9,301.23</b>	<b>(67.54)</b>	<b>(15.58)</b>	<b>9,218.11</b>





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### Note 18: Trade payables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Total outstanding dues of micro enterprises and small enterprises	667.47	818.76
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer Note 33)	76,914.70	110,304.81
- Others	113,665.50	116,216.30
	<b>191,247.67</b>	<b>227,339.87</b>

Trade payables are carried at amortised cost which are a reasonable approximation of their fair value.

Trade payables include acceptances from related parties and others amounting to ₹73,453.96 and ₹71,306.69 (31<sup>st</sup> March 2022: ₹ 54,286.38 and ₹ 98,883.61) respectively.

#### Note:

Trade payables and acceptances are non-interest bearing and are normally settled on 30 to 180 day terms.

The amount due to Micro and small enterprises as defined under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such suppliers have been identified on the basis of information available with the Company. The details are as under:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
(i) the principal amount remaining unpaid at the end of financial year	667.47	818.76
interest due thereon remaining unpaid to any supplier as at the end of financial year	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of the year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Trade payable ageing schedule

As at 31<sup>st</sup> March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
		(i) MSME	-	667.47	-	
(ii) Others	4,273.43	168,499.93	1,572.19	196.01	701.74	175,243.30
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	15,336.90	-	-	-	-	15,336.90
<b>Total</b>	<b>19,610.34</b>	<b>169,167.40</b>	<b>1,572.19</b>	<b>196.01</b>	<b>701.74</b>	<b>191,247.67</b>

As at 31<sup>st</sup> March 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
		(i) MSME	-	818.76	-	
(ii) Others	-	215,534.97	535.56	766.19	508.89	217,345.61
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	9,175.50	-	-	-	-	9,175.50
<b>Total</b>	<b>9,175.50</b>	<b>216,353.73</b>	<b>535.56</b>	<b>766.19</b>	<b>508.89</b>	<b>227,339.87</b>

## Note 19: Other current liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Rebate liabilities	2,455.00	2,401.01
Interest on statutory dues	89.13	482.66
Statutory dues	7,891.53	10,733.91
Advance from customers	1,118.84	1,283.27
	<b>11,554.50</b>	<b>14,900.85</b>

## Note 20: Revenue from operations

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Sale of products	476,987.91	387,574.95
Subsidy from the Government of India on fertilizers (refer note (c) below)	856,302.14	397,722.70
Other operating revenues - Export incentive	-	49.27
- Scrap sales	782.14	525.00
<b>Revenue from operations *</b>	<b>1,334,072.19</b>	<b>785,871.92</b>

\* Revenue is net of rebates, discounts and goods and service tax.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### (a) Reconciliation of revenue recognised with contract price:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Contract price	1,345,229.04	799,001.12
Adjustment for:		
Variable considerations - rebates	(11,156.85)	(13,129.20)
<b>Revenue from operations</b>	<b>1,334,072.19</b>	<b>785,871.92</b>

### (b) Contract balances

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Contract assets - trade receivables	368,973.75	90,247.54
Contract liabilities - advance from customers	1,118.84	1,283.27

The contract liabilities convert to revenue within one year from the reporting date.

### (c) Subsidy from Government of India on fertilizers:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
On finished goods [including freight subsidy ₹ 30,624.72 (31 <sup>st</sup> March 2022: ₹ 17,659.97)]	827,811.98	355,622.91
On traded goods [including freight subsidy ₹ 1,070.68 (31 <sup>st</sup> March 2022: ₹ 1,949.19)]	28,490.16	42,099.79
	<b>856,302.14</b>	<b>397,722.70</b>

### Note 21: Other income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest income on:		
Bank deposits*	625.39	268.09
Income tax refund	39.02	-
Others*	361.11	31.90
Rent income	304.13	276.23
Loss allowance written back	474.91	758.42
Excess provision/unclaimed balances written back	6,408.08	969.05
Profit on sale of current investments	93.36	635.85
Gain on fair valuation of investments measured at fair value through profit or loss	-	38.13
Miscellaneous income	801.00	949.32
	<b>9,107.00</b>	<b>3,926.99</b>

\* Interest income calculated using effective interest method in relation to financial assets carried at amortised cost.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 22: Cost of raw materials consumed

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Inventory at the beginning of the year	137,959.00	37,928.44
Add: Purchases	1,062,105.55	623,200.05
Add: Adjustment on account of business acquisition (refer Note 44)	3,209.19	-
Less: Inventory at the end of the year	(140,981.86)	(137,959.00)
Less: Traded goods transferred from raw materials	(19,207.63)	(1,631.45)
Add: Traded goods transferred to raw materials	885.27	3,084.25
<b>Cost of raw materials consumed</b>	<b>1,043,969.52</b>	<b>524,622.29</b>

## Note 23: Changes in inventories of finished goods, stock-in-trade and work in progress

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Opening stock</b>		
- Finished goods	24,941.42	13,520.24
- Intermediates (work in progress)	10,991.95	7,158.97
- By-Products	13,183.92	13,138.07
- Traded goods (stock in trade)	35,650.63	13,079.27
<b>Total (A)</b>	<b>84,767.92</b>	<b>46,896.55</b>
<b>Add:- Adjustment on account of business acquisition (refer Note 44)</b>		
- Finished goods	1,742.67	-
- Intermediates (work in progress)	45.39	-
- Traded goods (stock in trade)	65.39	-
<b>Total (B)</b>	<b>1,853.45</b>	<b>-</b>
<b>Less: Closing stock</b>		
- Finished goods	80,537.48	24,941.42
- Intermediates (work in progress)	9,373.92	10,991.95
- By-Products	13,201.69	13,183.92
- Traded goods (stock in trade)	2,708.37	35,650.63
<b>Total (C)</b>	<b>105,821.46</b>	<b>84,767.92</b>
Traded goods transferred from raw materials	(19,207.63)	(1,631.45)
Traded goods transferred to raw materials	885.27	3,084.25
<b>Total (D)</b>	<b>(18,322.36)</b>	<b>1,452.80</b>
<b>(Increase)/ decrease in inventories of finished goods, stock-in trade and work-in-progress (A+B-C-D)</b>	<b>(877.73)</b>	<b>(39,324.17)</b>

## Note 24: Employee benefits expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Salaries, wages and bonus	17,091.03	11,166.86
Contribution to provident and other funds (refer Note 32)	1,256.38	900.75
Gratuity (refer Note 32)	405.20	327.06
Staff welfare expenses	2,369.81	1,455.77
Share based payments (equity settled)	197.83	-
<b>Total employee benefits expense</b>	<b>21,320.25</b>	<b>13,850.44</b>

The Code of Social Security, 2020 ("the Code") relating to employee 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 25: Finance costs

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest expense on liabilities measured at amortised cost*	19,749.45	1,831.73
Exchange differences to the extent considered as an adjustment to borrowing costs	5,260.88	3,836.98
Bank charges	3,972.26	2,402.77
Interest on income tax	141.66	482.66
<b>Total finance costs</b>	<b>29,124.25</b>	<b>8,554.14</b>

\* Net of amount included in the cost of qualifying assets.

## Note 26: Depreciation and amortisation expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Depreciation of property, plant and equipment (refer Note 4(a))	17,310.39	9,016.44
Amortisation of intangible assets (refer Note 4(d))	88.76	28.84
Amortisation of right of use assets (refer Note 4(a) and 4(c))	116.16	0.44
<b>Total depreciation and amortisation expense</b>	<b>17,515.31</b>	<b>9,045.72</b>

## Note 27: Other expenses

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Consumption of stores and spare parts	4,996.20	3,497.88
Consumption of packing materials	8,989.11	5,304.42
Chemical consumed	3,111.29	2,365.54
Catalysts consumed	525.15	471.75
Payment to contractors for bagging and other services	6,165.52	4,654.62
Power and fuel	62,609.91	7,016.15
Water charges	1,425.18	696.92
Rent [refer note (iii) below]	1,234.38	261.34
Rates and taxes	3,155.89	102.53
Insurance	2,106.21	1,385.93
Repairs and maintenance:	-	-
Plant and machinery	4,872.59	2,710.27
Buildings	659.02	718.02
Others	856.92	691.22
Selling and distribution expenses:	-	-
Freight and handling	48,100.77	30,116.85
Warehouse rent	562.32	333.51
Commission	570.36	811.22
Publicity and sales promotion expenses	1,060.03	780.52
Other selling expenses	391.44	525.21
Travelling and conveyance expenses	959.63	428.46
Professional, consultancy and legal expenses	815.19	462.74
Corporate social responsibility expenditure [refer note (ii) below]	754.32	565.77
Donation	0.75	-
Payment to statutory auditors [refer note (i) below]	142.83	89.26
Exchange differences (net)	8,579.42	5,389.41

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Bad debts, claims and advances written off, net of provision of ₹ 56.55 (31 <sup>st</sup> March 2022: ₹ 301.34)	68.73	10.23
Loss allowance	1,239.90	2,095.78
Loss on sale/discard of property, plant and equipment (net)	1,511.90	1,289.42
Miscellaneous expenses	5,870.05	4,009.23
<b>Total other expenses</b>	<b>171,335.01</b>	<b>76,784.20</b>

## (i) Auditors' remuneration

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
As auditors		
- Statutory audit	55.00	22.00
- Tax audit	8.00	3.00
- Other services	72.62	55.00
Reimbursement of expenses	7.21	9.26
	<b>142.83</b>	<b>89.26</b>

## (ii) Corporate social responsibility

The Company has spent ₹ 669.13 for the year ended 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 565.77) towards various scheme of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. There is an unspent amount of ₹85.27 for the year ended 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: Nil) due to practical and on ground challenges in scaling up the projects. The unspent amount was transferred to the unspent CSR account as is mandated under the Act and is allocated to the ongoing CSR projects. The details are as follows:

Particulars	₹ in Lakhs
a. Gross amount required to be spent by the Company during the year	754.32
b (i). Amount spent during the year on construction /acquisition of any asset	-
b (ii). Amount spent during the year on purpose other than construction/acquisition of any asset is as below:	-
- Skill Development and Livelihood promotion for marginalized households (Farm sector development)	141.03
- Promotion of Healthcare and WASH (Water, Sanitation and Hygiene)	208.85
- Promotion of Quality of Education and Educational Facilities in Villages	159.85
- Promotion of digital literacy programme for unemployed youths and women	29.01
- Promote Environment and Biodiversity (Clean Energy etc.)	31.96
- Promotion of Sports at Villages and School Level	17.49
- Disaster mitigation, Emergency relief support and contingency	21.82
- Women Empowerment	0.98
- Community Asset and Rural infrastructure development	52.63
- Slum Area Development initiatives	5.51
<b>Total</b>	<b>669.13</b>

## (iii) Leases

### Short-term leases

The Company leases office which are considered to be short-term leases as the agreement is for the period of 12 months and below.

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Expenses relating to short-term leases	1,234.38	261.34
Total cash outflow for leases	1,234.38	261.34

Lease payments for short-term leases not included in the measurement of the lease liability and are classified as cash flows from operating activities.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 28: Earnings per share

### A. Basic and diluted earnings per share

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(i) Profit for the year, attributable to the equity holders of the Company	30,368.74	39,784.20
(ii) Weighted average number of equity shares - Nominal value of shares at ₹10 each ^		
Basic	77,97,86,595	57,54,50,000
Diluted	78,01,38,968	57,54,50,000
(iii) Earnings per share (Basic) [(i)/ (ii)]	3.89	6.91
(Diluted) [(i)/ (ii)]	3.89	6.91

The calculation of basic and diluted weighted average number of shares include impact of shares issued during the year by way of the initial public offer.

## Note 29: Contingent liabilities (to the extent not provided for)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Claims against company not acknowledged as debt</b>		
Subsidy withheld (refer Note (a) below)	5,352.12	5,352.12
Goods and services tax demand (refer Note (b) below)	182.72	1,999.90
Entry tax demand on imported raw materials including interest and penalty	2,909.39	2,909.39
Sales tax/VAT/CST demands (refer Note (c) below)	10,561.64	10,589.33
Central Excise demands for March 2011	234.14	236.91
Service tax demand (refer note (d) below)	88.80	134.59
Custom duty and countervailing duty (refer Note (e) below)	582.44	109.97
Income tax demands	284.33	428.71
Demand towards contribution to Water Conservation Fund	-	2,322.50
Demand under Goa green Cess Act 2013 (refer Note (f) below)	4,291.34	-
Others claims against the Company not acknowledged as debt (refer Note (g) below)	3,868.12	3,308.03

### a) Subsidy withheld

Department of Fertilizer, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to ₹ 5352.12, being the subsidy amount including freight subsidy. The amount has been withheld on the basis of samples collected by the Department from Mundra Port which were reported to be deficient on account of water soluble P2O5 content as per Fertilizer Control Order (FCO) but there was no deficiency as regards to the nutrient content. The Company has represented to the Department of Fertilizers to re-examine the case on the following grounds – (a) Failure is on account of water solubility and not on account of nutrient content. The nutrient content on which the Nutrient Based Subsidy is paid meets the FCO specifications (b) Water Solubility is more than 85% of the total P2O5 (c) All precautions were taken at the load port on having an international recognized inspection agency based on which the goods were shipped and dispatched and (d) The intimation on the original sample failure as well as the referee sample failure were received long after materials were dispatched well beyond the dispatch of the material to various destinations. Based on the revised notification from GOI dated 6<sup>th</sup> February 2017, water soluble P2O5 content of DAP is revised to 39.5% instead of 41%. DAP import for which the amount withheld has water soluble content of 39.53%. Further, vide Notification no 3-9/2008 Fert Law dated 18<sup>th</sup> November 2011 in which Triple Super Phosphate (TSP) with total P2O5 content of 46% and water soluble content of only 36.8% has been allowed to be imported and paid subsidy for 46% of P2O5. Based on above, the Company has made a representation that as per revised notification, water soluble content is as per norms and further permitting a product with same total P2O5 and less water soluble P2O5 as standard and declaring a product imported by the Company with 39.53% as non-standard is not fair. The Company is confident to receive a favorable outcome.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## b) Goods and service tax demand

Demand under GST Act in respect of erroneous refund of GST for the period July 2017 to January 2018 under inverted structure.

- Interest appropriation on Demand raised by CGST, Goa on account of GST refund on services under inverted duty structure from July 2017 to March 2018 towards financial year 2017-18.
- Penalty towards wrongful availment of Transitional credit.

## c) Sales tax/VAT/CST demands

Sales tax/VAT/CST demand includes the following:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
CST demand for the 2005-06 due to rejection of Branch transfers and export sales	10,420.51	10,420.51
VAT demand for the year 2005-06 in Bihar region on account of VAT assessment	37.69	37.69
CST demand for Telangana for non-submission of declaration forms	51.48	51.48
VAT demand for Odisha due to input tax credit mismatch	51.96	51.96
VAT demand for Maharashtra due to input tax credit mismatch	-	1.02
CST demand for Maharashtra for non-submission of declaration forms.	-	26.67
	<b>10,561.64</b>	<b>10,589.33</b>

## d) Service tax demands

Service tax demands include service tax on mediation fee Nil for 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 45.79). Further it also includes service tax demand on water charges paid to State Government for the period 16<sup>th</sup> April to 17<sup>th</sup> June of ₹ 88.80 for 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 88.80).

## e) Custom duty and countervailing duty

- Countervailing Duty (CVD) paid and refund claimed on MOP and Sulphuric Acid, BCD on discount received and Custom duty on demurrage.
- Rejection of transaction value with respect to its import of MOP from unrelated party
- Denial of concessional rate basic custom duty
- Penalty towards denial of concessional rate Counter veiling duty
- Demand for wrongful availment on exemption notification based on SEIS scrips

## f) Green Cess

Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas.

## g) Others claims against the Company not acknowledged as debt

It includes the following:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Penal interest on loan from Government of India, due to delay	344.43	344.43
Industrial dispute and miscellaneous labour cases pending at various forums at different stages of dispute.	493.99	480.11
Interest on water charges due to delay in payments	2,845.49	2,243.65
Others	184.21	239.84
	<b>3,868.12</b>	<b>3,308.03</b>

Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in the above mentioned cases and hence, no provision is considered necessary. The above has been compiled based on the information and records available with the Company.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 30: Commitments

### Capital commitments

Particulars	As at	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	16,206.88	68,250.97

## Note 31: Segment reporting

### Capital commitments

#### a. Basis of segmentation

The Company's business activity falls within a single primary Operating Segment "Fertilizers and Other Trading Materials", and thus no further disclosures are required in accordance with Indian Accounting Standard (Ind AS)- 10 "Operating Segment".

#### b. Geographic information

The Company primarily operates in and therefore no geographical segment information has been provided herein.

## Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

### Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1976. The scheme is funded with Life insurance Corporation of India (LIC) in the form of qualifying insurance policy. The Company undertakes all the risk pertaining to the plan.

### Post Retirement medical benefit plan

The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company.

### Provident fund

The Company has set up provident fund trust wherein contributions are made and accordingly the same is considered as a defined benefit plan in accordance with Ind-AS 19, Employee Benefits, wherein provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. During the current year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by the Institute of Actuaries.

#### A. Defined contribution plan:

The amount provided for defined contribution plans are follows:

Particulars	For the year ended	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Pension Scheme	203.07	135.93
Superannuation Fund	195.07	138.82
National Pension Scheme	148.69	87.48
<b>Total</b>	<b>546.83</b>	<b>362.23</b>

#### B. Gratuity and other post-employment benefit plans:

Particulars	As at	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Gratuity Plan - (Liability)	(538.08)	(1,771.05)
Post retirement medical benefits plan - (Liability)	(154.44)	(166.03)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## C. Other long term employee benefits:

The amount provided for during the year is as follows:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Leave encashment	718.01	(361.78)

## D. Reconciliation of the net defined benefit (asset)/ liability

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

### Gratuity plan:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
<b>Balance at the beginning of the year</b>	(5,500.19)	3,729.15	(1,771.05)	(5,577.83)	4,097.26	(1,480.57)
<b>Adjustment on account of business acquisition (refer Note 44)</b>	(1,401.08)	1,196.67	(204.41)	-	-	-
<b>Included in Profit or loss</b>						
Current service cost	(266.52)	-	(266.52)	(228.67)	-	(228.67)
Past service cost	-	-	-	-	-	-
Net interest expense/income	(479.47)	340.79	(138.68)	(370.66)	272.28	(98.39)
	<b>(745.99)</b>	<b>340.79</b>	<b>(405.20)</b>	<b>(599.33)</b>	<b>272.28</b>	<b>(327.06)</b>
<b>Included in OCI</b>						
Return on plan assets (excluding amounts included in net interest expense)	-	(23.93)	(23.93)	-	(25.84)	(25.84)
Actuarial loss (gain) arising from experience adjustment	77.07	-	77.07	(27.97)	-	(27.97)
Changes in financial assumptions	15.82	-	15.82	90.69	-	90.69
Changes in demographic assumptions	-	-	-	-	-	-
	<b>92.89</b>	<b>(23.93)</b>	<b>68.96</b>	<b>62.72</b>	<b>(25.84)</b>	<b>36.88</b>
<b>Others</b>						
Benefits paid	838.46	(838.46)	-	614.55	(614.55)	-
Contributions paid by employer	-	1,771.00	1,771.00	-	-	-
Other adjustments	2.62	-	2.62	(0.30)	-	(0.30)
<b>Balance at the end of the year</b>	<b>(6,713.30)</b>	<b>6,175.21</b>	<b>(538.08)</b>	<b>(5,500.19)</b>	<b>3,729.15</b>	<b>(1,771.05)</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### Post retirement medical benefits plan:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
<b>Balance at the beginning of the year</b>	(166.03)	-	(166.03)	(63.05)	-	(63.05)
<b>Included in Profit or loss</b>						
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Net interest expense/income	(11.78)	-	(11.78)	(4.18)	-	(4.18)
	<b>(11.78)</b>	<b>-</b>	<b>(11.78)</b>	<b>(4.18)</b>	<b>-</b>	<b>(4.18)</b>
<b>Included in OCI</b>						
Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-	-	-
Actuarial loss (gain) arising from experience adjustment	18.99	-	18.99	(101.55)	-	(101.55)
Changes in financial assumptions	4.38	-	4.38	6.30	-	6.30
Changes in demographic assumptions	-	-	-	(3.55)	-	(3.55)
	<b>23.37</b>	<b>-</b>	<b>23.37</b>	<b>(98.80)</b>	<b>-</b>	<b>(98.80)</b>
<b>Balance at the end of the year</b>	<b>(154.44)</b>	<b>-</b>	<b>(154.44)</b>	<b>(166.03)</b>	<b>-</b>	<b>(166.03)</b>

### E. Investment pattern in plan assets:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	Gratuity Fund	Gratuity Fund
Investment with insurers	100.00%	100.00%

### F. Economic assumptions

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	%	%
<b>Discount rate:</b>		
Gratuity plan	7.45%	7.10%
Post retirement medical benefits	7.45%	7.10%
<b>Future salary increase:</b>		
Gratuity plan	8% for first two years and 6.50% thereafter	8% for first two years and 6.50% thereafter

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## G. Sensitivity analysis

### Gratuity plan:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Provident Fund	Gratuity Fund	Provident Fund
<b>Assumption: Discount rate</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(369.70)	417.46	(297.02)	332.61
<b>Assumption: Future salary increase</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	311.20	438.32	246.39	(253.94)

### Post retirement medical benefits plan:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Provident Fund	Gratuity Fund	Provident Fund
<b>Assumption: Discount rate</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(11.45)	13.07	(13.01)	14.94

The sensitivity analyses 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.

Sensitivities due to mortality & withdrawals are not material and hence impact of change has not been calculated.

## H. Maturity Profile of Defined benefit obligation:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Post retirement medical benefits plan	Gratuity Fund	Post retirement medical benefits plan
Within next 12 months	880.38	11.15	692.26	11.12
Between 2 and 5 years	3,987.37	47.67	3,256.91	48.01
Between 6 and 10 years	2,951.26	64.59	2,698.03	66.30
Beyond 10 Years	4,082.76	160.47	2,518.29	180.80

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting year is 5 years (31<sup>st</sup> March 2022: 6 years).

The Company expects to contribute ₹ 313.88 (31<sup>st</sup> March 2022: ₹ 335.89) and ₹ 642.30 (31<sup>st</sup> March 2022: ₹ 703.43) to gratuity trust and provident fund trust respectively in the next financial year.

## I. Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above defined benefit which are as follows:

Interest rate risk	The present value of defined benefit obligation is determined using the discount rate based on the market yield prevailing at the end of the reporting period on Government Bonds. A decrease in yield will increase the fund liabilities and vice-versa.
Investment Risk	This may arise from volatility in the assets value due to market fluctuation and impairment of assets due to credit losses. These plan assets are invested with LIC - the valuation of which is inversely proportional to the interest rate movements.
Inherent risk	The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Withdrawal risk	Deviations in actual withdrawal than assumed withdrawals and change of withdrawal rates at subsequent valuation can impact plan liability.

## Note 33: Related Party Disclosure

### A. Name of Related Parties

#### **Holding Company**

Zuari Maroc Phosphates Private Limited

#### **Joint Venturer of the Holding Company**

Zuari Agro Chemicals Limited

OCP S.A., Morocco

#### **Subsidiary of the Joint Venturer of the Holding Company**

Mangalore Chemicals and Fertilizers Limited

Zuari FarmHub Limited

#### **Party having significant influence**

Indian Furniture Products Limited

Zuari Industries Limited

Zuari Management Services Limited

Zuari Insurance Broker Limited

Zuari Infraworld India Limited

Zuari Rotem Speciality Fertilizers Limited

Zuari Indian Oil Tanking Limited

Simon India Limited

Phosphates De Boucraa SA

Pakistan Maroc Phosphore

Jorf Fertilizer SA

Adventz Finance Private Limited

#### **Joint Venture of Joint Venturer of the Holding Company**

Indo Maroc Phosphare S.A. Morocco

#### **Associate of the Company**

Zuari Yoma Agri Solutions Limited

#### **Key Managerial Personnel**

Mr. N. Suresh Krishnan, Managing Director (w.e.f. 16<sup>th</sup> February 2020)

Mr. Ranjit Singh Chugh, Chief Operating Officer (upto 31<sup>st</sup> December 2021)

Mr. Sabaleel Nandy, President & Chief Operating Officer (w.e.f. 1<sup>st</sup> August 2020 upto 31<sup>st</sup> March 2023)

Mr. Sailesh Pati, Chief Financial Officer (upto 10<sup>th</sup> August 2021)

Mr. Bijoy Kumar Biswal, Chief Financial Officer (w.e.f. 31<sup>st</sup> January 2022)

Mr. Sisir Kumar Mishra, Company Secretary (w.e.f. 9<sup>th</sup> August 2019 up to 31<sup>st</sup> August 2020)

Mr. Sachin Patil, Company Secretary (w.e.f. 4<sup>th</sup> November 2020)



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## **Directors**

Mr. S. K. Poddar, Chairman

Mrs. Ghislane Guedira, Director (upto 24<sup>th</sup> May 2021)

Mr. Karim Lotfi Senhadji, Director (w.e.f. 31<sup>st</sup> January 2022)

Mr. Vinay Kumar Pandey, Director – GOI (w.e.f. 20<sup>th</sup> April 2020 upto 29<sup>th</sup> July 2021)

Mr. Ujjwal Kumar, Director (w.e.f. 10<sup>th</sup> November 2021)

Ms. Kiran Dhingra, Independent Director

Mr. Marco P.A. Wadia, Independent Director (upto 18<sup>th</sup> September 2022)

Mr. Satyananda Mishra, Independent Director (w.e.f. 4<sup>th</sup> November 2020)

Mr. Dipankar Chatterji, Independent Director (w.e.f. 3<sup>rd</sup> August 2021)

Mr. Subhrakanta Panda (w.e.f. 31<sup>st</sup> January 2022)

## **Enterprise where Director is interested**

Lionel India Limited

Texmaco Rail & Engineering Limited

## **Employee benefit trust**

PPL Employee's Provident Fund

## **B. Transactions \*:**

<b>Name of Related Party</b>	<b>Sl. No.</b>	<b>Nature of Transactions</b>	<b>For the year ended 31<sup>st</sup> March 2023</b>	<b>For the year ended 31<sup>st</sup> March 2022</b>
Indo Maroc Phosphare S.A. Morocco	a)	Purchase of raw materials (Phosphoric acid)	219,839.79	136,777.72
	b)	Other expenses (Demurrage Expenses)	64.54	233.04
	c)	Other expenses (Demurrage Written back)	-	0.82
	d)	Other expenses (Claims Written off)	(26.15)	6.58
OCP S.A., Morocco	a)	Purchase of raw materials (Rock phosphate)	146,793.05	84,098.67
	b)	Purchase of raw materials (Phosphoric acid)	19,101.70	25,235.90
	c)	Purchase of stock-in-trade (Imported DAP)	-	25,728.30
	d)	Other expenses (Demurrage expenses)	584.13	100.17
Phosphates De Boucraa S.A	a)	Purchase of raw materials (Rock phosphates)	60,076.25	77,048.68
	b)	Other expenses (Demurrage Expenses)	53.80	11.73
	c)	Interest	-	9.04
Jorf Fertiliser SA	a)	Purchase of stock-in-trade (Imported DAP)	(60.22)	65,317.70
Zuari Agro Chemicals Limited	a)	Sale of fertilizers and high sea sale	7,653.04	1,462.55
	b)	Sale of phosphoric acid and muriate of phosphate	-	29,645.79
	c)	Purchase of raw material for Tolling	3,503.49	5,989.20
	d)	Purchase of stock-in-trade	-	21,108.05
	e)	Other Expenses (Recovery of reimbursement of expenses)	-	2,436.95
	f)	Other expenses (Branding commission)	106.09	207.96
	g)	Other expenses (Exchange gain)	(52.91)	6.94
	h)	Other expenses (power and fuel)	478.42	-
	i)	Other expenses (Demurrage)	16.21	-
	j)	Other expenses (Tolling charges)	642.24	439.99
	k)	Other expenses (Tolling related expenses)	-	6.14



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Name of Related Party	Sl. No.	Nature of Transactions	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
	l)	Other expenses (Rent)	4.00	-
	m)	Interest Charged	55.64	-
	n)	Recovery of expenses	25.64	-
	o)	Purchase of business	168,797.46	-
Zuari Industries Limited	a)	Other expenses (Lease rent)	8.09	-
Zuari FarmHub Limited	a)	Sale of fertilizers	21,091.58	12,219.70
	b)	Other income (amount written back)	2.80	-
	c)	Recovery of expenses	18.22	-
	d)	Other Expenses (Reimbursement of expenses)	-	10.28
Simon India Limited	a)	Purchase of fixed asset	6.17	16.00
	b)	Other income	42.53	-
	c)	Other Expenses (Reimbursement of expenses)	60.14	68.08
Zuari Management Services Limited	a)	Other Expenses (Reimbursement of expenses)	693.24	439.78
	b)	Recovery of expenses	11.94	-
Mangalore Chemicals and Fertilizers Limited	a)	Sale of ammonia and sulphuric acid	3,697.12	912.95
	b)	Other income (Interest income on receivable)	-	1.50
	c)	Other expenses (Branding commission)	-	2.06
	d)	Other Expenses (Reimbursement of expenses)	0.04	0.19
	e)	Recovery of expenses	4.25	-
Lionel India Limited	a)	Other expenses (Purchase of air ticket)	190.09	66.74
Adventz Finance Private Limited	a)	Other Expenses (Rent)	132.29	58.92
	b)	Other Expenses (Recovery of reimbursement of expenses)	8.97	-
	c)	Rent advance	34.20	-
	d)	Security deposit paid	18.00	-
Zuari Indian Oil Tanking Limited	a)	Other Expenses (Reimbursement of expenses)	0.79	-
Zuari Maroc Phosphates Private Limited	a)	Recovery of expenses	1,354.80	270.67
PPL Employee's Provident Fund	a)	Employee benefits expense (Contribution to provident fund)	568.66	558.05
Mr. N Suresh Krishnan	a)	Managerial remuneration	417.61	384.97
Mr. Ranjit Singh Chugh	a)	Remuneration	-	207.13
Mr. Sabaleel Nandy	a)	Remuneration	164.65	131.00
Mr. Sailesh Pati	a)	Remuneration	5.05	41.55
Mr. Bijoy Kumar Biswal	a)	Remuneration	64.47	10.27
Mr. Sisir Kumar Mishra	a)	Remuneration	-	1.58
Mr. Sachin Patil	a)	Remuneration	23.60	13.51
Ms. Kiran Dhingra	a)	Director Sitting Fee	6.45	4.30
Mr. Marco P.A. Wadia	a)	Director Sitting Fee	4.30	4.30
Mr. Satyananda Mishra	a)	Director Sitting Fee	5.90	2.75
Mr. Dipankar Chatterjee	a)	Director Sitting Fee	5.35	1.60
Mr. Subhrakanta Panda	a)	Director Sitting Fee	3.00	-



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## C. Balance outstanding

Particulars	Sl. No.	Nature of Transactions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Indo Maroc Phosphare S.A. Morocco	a)	Trade payables - Purchase of raw material	51,568.78 Cr	31,641.95 Cr
	b)	Claims receivable	4,862.38 Dr	3,523.59 Dr
OCP S.A., Morocco	a)	Trade Payable - Purchase of raw material	2895.21 Cr	31,498.30 Cr
	b)	Claims receivable	19,551.64 Dr	13,501.95 Dr
	c)	Trade payables - Reimbursement of expenses	38.30 Dr	0.76 Dr
Pakistan Maroc Phosphore SA	a)	Trade payables - Purchase of raw material	9.82 Cr	9.06 Cr
Phosphates De Boucraa S.A	a)	Trade Payables - Purchase of raw material	22,308.56 Cr	12,264.45 Cr
	b)	Claims receivable	8,142.49 Dr	15,309.46 Dr
Jorf Fertiliser SA	a)	Trade Payables - Purchase of raw material	96.22 Cr	88.75 Cr
	b)	Trade Payables - Purchase of traded material	83.19 Dr	34,744.42 Cr
	c)	Claims receivable	-	248.56 Dr
Zuari Yoma Agri Solutions Limited	a)	Investment in associate	365.60 Dr	365.60 Dr
	b)	Other receivable - Reimbursement of expenses	56.18 Dr	56.18 Dr
Zuari Agro Chemicals Limited	a)	Trade receivables - Sale of fertilizers	3,990.46 Dr	-
	b)	Other financial liabilities - payable against business acquisition	1,434.89 Cr	112,632.27 Dr
	c)	Other financial assets - Interest receivables	55.63 Dr	-
	d)	Trade receivable - Reimbursement of expenses	87.86 Cr	-
	e)	Trade payables - Branding commission	106.09 Cr	-
	f)	Trade Payable - Exchange loss	-	-
	g)	Trade receivable - Rent	4.00 Cr	-
	h)	Trade receivables - Recovery of expenses	25.64 Dr	-
	i)	Capital Advance - Advance for Purchase of Land	1,100 Dr	-
Zuari Industries Limited (Erstwhile Zuari Global Limited)	a)	Trade payable - Lease Rent	27.79 Cr	-
Zuari FarmHub Limited	a)	Trade receivables - Sale of Fertilizers	7,535.78 Dr	2,502.61 Dr
	b)	Trade receivable - Recovery of expenses	18.22 Dr	-
Simon India Limited	a)	Capital advance - Purchase of fixed asset	24.19 Dr	24.19 Dr
	b)	Retention money	-	42.53 Cr
	c)	Trade Payable - Reimbursement of expenses	0.46 Dr	0.17 Dr
Zuari Management Services Limited	a)	Trade Payables - Reimbursement of expenses	18.86 Cr	47.48 Cr
Zuari Infraworld India Limited	a)	Advance to vendors - Reimbursement of expenses	1.34 Dr	1.34 Dr
	b)	Trade Payable - Reimbursement of expenses	5.06 Cr	-
	c)	Security deposit	29.32 Dr	-
Mangalore Chemicals and Fertilizers Limited	a)	Advance to vendors - Purchase of fertilizer	114.99 Dr.	-
		Trade Receivables - High sea sale of raw material	3,693.47 Dr	-
	b)	Trade payables - Other expenses	-	0.22 Cr
Lionel India Limited	a)	Trade payables - Purchase of air ticket	0.26 Cr	11.11 Cr
Adventz Finance Private Limited	a)	Security deposit	60.00 Dr	42.00 Dr
	b)	Advance to vendors - rent	34.20 Dr	-



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Sl. No.	Nature of Transactions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Zuari Maroc Phosphates Private Limited	a)	Other payable	13.54 Cr	270.67 Dr
PPL Employee's Provident Fund	a)	Contribution to provident fund	47.32 Cr	46.28 Cr
Mr. N Suresh Krishnan	a)	Managerial remuneration	-	34.29 Cr
Mr. Sabaleel Nandy	a)	Remuneration	12.25 Cr	12.53 Cr
Mr. Bijoy Kumar Biswal	a)	Remuneration	-	5.53 Cr
Mr. Sachin Patil	a)	Remuneration	-	1.51 Cr

### Note 34: Financial instruments - Fair value of financial assets and financial liabilities

#### (a) Accounting classifications and fair values:

Particulars	Fair Value Hierarchy	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Derivative financial liabilities	Level 2	1,628.93	-
Investments	Level 2	-	55,036.14
Derivative financial assets	Level 2	-	453.37

Particulars	For the year ended 31 <sup>st</sup> March 2023			For the year ended 31 <sup>st</sup> March 2022		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
<b>Current financial assets</b>						
Trade receivables	-	-	368,973.75	-	-	-
Cash and cash equivalents	-	-	4,303.42	-	-	-
Other bank balances	-	-	6,681.98	-	-	-
Other current financial assets						
Derivative financial asset	-	-	-	-	-	-
Claims receivable	-	-	32,587.91	-	-	-
Interest receivable on deposits, receivables etc	-	-	126.68	-	-	-
Receivables from Gas pool operator			961.03			
Other receivables from related parties	-	-	42.65	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>413,677.42</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	-	61,188.79	-	-	-
Lease liabilities			1,603.78			
Other non-current financial liabilities	-	-	180.42	-	-	-
<b>Current financial liabilities</b>						
Borrowings	-	-	401,921.53	-	-	-
Lease liabilities			77.32			
Trade and other payables	-	-	200,817.27	-	-	-
Derivatives financial liabilities	1,628.93	-	-	-	1,628.93	-
Security deposits	-	-	12,804.58	-	-	-
<b>Total financial liabilities</b>	<b>1,628.93</b>	<b>-</b>	<b>678,593.69</b>	<b>-</b>	<b>1,628.93</b>	<b>-</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2022		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
<b>Current financial assets</b>						
Trade receivables	-	-	90,247.54	-	-	-
Cash and cash equivalents	-	-	53,784.10	-	-	-
Other bank balances	-	-	5,987.37	-	-	-
Other current financial assets						
Derivative financial assets	453.37	-	-	-	453.37	-
Claims receivable	-	-	33,032.80	-	-	-
Investments	55,036.14	-	-	-	55,036.14	-
Interest receivable on deposits, receivables etc	-	-	31.34	-	-	-
Other receivables from related parties	-	-	326.85	-	-	-
<b>Total financial assets</b>	<b>55,489.51</b>	<b>-</b>	<b>183,410.00</b>	<b>-</b>	<b>55,489.51</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	-	52,817.08	-	-	-
Other non-current financial liabilities	-	-	286.71	-	-	-
<b>Current financial liabilities</b>						
Borrowings	-	-	242,612.49	-	-	-
Trade and other payables	-	-	231,940.37	-	-	-
Security deposits	-	-	3,166.26	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>530,822.91</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

The fair value of investments in mutual funds is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published NAV statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuer will redeem such units from the investors.

The fair value of derivatives is determined using quoted forward exchange rates at the reporting date.

There has been no transfer between level 1, level 2 and level 3 during the year.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (b) Class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value		Fair value	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Financial assets</b>				
Investments	-	55,036.14	-	55,036.14
<b>Others:</b>				
Derivative financial assets	-	453.37	-	453.37
<b>Total financial assets</b>	<b>-</b>	<b>55,489.51</b>	<b>-</b>	<b>55,489.51</b>
<b>Financial liabilities</b>				
<b>Borrowings</b>				
Long term borrowings (Floating rate)	61,188.79	52,817.08	61,188.79	52,817.08
Lease liabilities	1,603.78		1,603.78	
<b>Others:</b>				
Derivative financial liabilities	1,628.93	-	1,628.93	-
Employee related dues	180.42	286.71	180.42	286.71
<b>Total financial liabilities</b>	<b>64,601.92</b>	<b>53,103.79</b>	<b>64,601.92</b>	<b>53,103.79</b>

The management assessed that cash and cash equivalents, other bank balance, trade receivables, other current financial assets (except derivative financial assets), trade payables, short term borrowings and other current financial liabilities (except derivative financial liabilities) approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative contracts. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### A Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Trade receivables

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigates the credit risk to some extent.

Reconciliation of loss allowance on:	Trade receivables amount	Other financial assets amount
Balance as at 1 <sup>st</sup> April 2021	3,479.01	209.79
Movement during the year	1,036.02	-
Balance as at 31 <sup>st</sup> March 2022	<b>4,515.03</b>	<b>209.79</b>
Movement during the year	1,235.84	-
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>5,750.87</b>	<b>209.79</b>

## B Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2023:

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	191,247.67	191,247.67	-	-
Borrowings (including current maturities of non-current borrowings)	463,110.32	401,921.53	61,188.79	-
Other financial liabilities	24,183.53	24,003.11	180.42	-
Lease liabilities	1,681.10	199.60	1,054.18	1,838.07
<b>Total</b>	<b>680,222.62</b>	<b>617,371.91</b>	<b>62,423.39</b>	<b>1,838.07</b>

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2022:

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	227,339.87	227,339.87	-	-
Borrowings (including current maturities of non-current borrowings)	295,429.57	242,612.49	52,817.08	-
Other financial liabilities	8,053.47	7,766.76	286.71	-
<b>Total</b>	<b>530,822.91</b>	<b>477,719.12</b>	<b>53,103.79</b>	<b>-</b>

## C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in other market variables. Refer sensitivity analyses below.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

## (a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

### Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with ₹, with all other variables held constant. The impact on the Company's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. Refer Note 37 for details on foreign currency exposure.

Particulars	Profit and loss	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
₹/USD strengthening [5% movement]	(81.11)	(2,512.15)
₹/USD weakening [5% movement]	81.11	2,512.15
₹/EURO strengthening [5% movement]	(161.37)	(361.37)
₹/EURO weakening [5% movement]	161.37	361.37

## (b) 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 manages fund requirements and performs sensitivity analysis to keep interest rate risk within limits.

### Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

Particulars	Profit and loss	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Borrowings</b>		
Variable rate instruments - increase by 50 basis points	(1,021.33)	(478.02)
Variable rate instruments - decrease by 50 basis points	1,021.33	478.02
<b>Foreign Currency Borrowings-USD</b>		
Variable rate instruments - increase by 50 basis points	(1,294.22)	(999.13)
Variable rate instruments - decrease by 50 basis points	1,294.22	999.13

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

## (c) Commodity price risk

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and muriatic potash. All being international commodities is subject to price fluctuation on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertilizer industry based on the market trend.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 36: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital keeping in view the adequate interest and debt service coverage ratio.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

## Note 37: Unhedged foreign currency exposure

(a) Forward contract outstanding as at 31<sup>st</sup> March 2023, against import of goods is ₹ 334,293.05 (31<sup>st</sup> March 2022: ₹ 305,346.85).

(b) Details of un-hedged foreign currency exposure as on the Balance Sheet date are as follows:

	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	(USD in Million)	(EURO in Million)	(₹ In Lakhs)	(USD in Million)	(EURO in Million)	(₹ In Lakhs)
<b>Liabilities:</b>						
Trade Payable and Creditors for Property Plant and Equipment (including acceptance)	37.99	-	31,218.23	100.32	8.58	83,266.02
Short term borrowings- Buyers and Suppliers Credit	5.96	-	4,897.81	9.26	-	7,019.06
Other Interest accrued but not due on borrowings	2.39	0.02	1,982.34	0.29	-	218.08
<b>Assets:</b>						
Claims receivable	40.46	-	33,248.76	43.58	-	33,032.80

## Note 38: Reconciliation of liabilities from financing activities.

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year		
- Non-current borrowings	52,817.08	11,341.13
- Current borrowings	242,612.49	113,776.12
Cash flows		
- Proceeds/(Repayment) of non-current borrowings	25,704.06	50,636.76
- Proceeds/(Repayment) of current borrowings	128,580.21	112,249.38
Non-cash changes - represents foreign exchange fluctuation and unwinding of interest	13,396.48	7,426.18
Balance at the end of the year		
- Non-current borrowings	61,188.79	52,817.08
- Current borrowings	401,921.53	242,612.49

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 39

- a) The Company, in an earlier year, had received an Arbitration Award in its favour in the matter of Cargo Charges Tariff dispute with Paradeep Port Trust (PPT) for the years 1993–1999. PPT in earlier year had appealed with the higher authorities against such award which was confirmed by the Appellate Authority. However, as against the above order, the PPT went into further appeal with the Hon'ble High Court of Odisha and the High Court in its interim order directed the Company not to execute award at this stage. The Company has not recognized this award as income in the Statement of Profit and Loss.
- b) Paradeep Port Trust (PPT) proposed a revision in scale of rates applicable to the Company for cargo handling in the captive berth w.e.f. 1<sup>st</sup> April 1999. The matter was referred to Tariff Authority of Major Ports (TAMP) on mutual consent of the parties under the direction of Hon'ble High Court of Odisha. During the previous year, TAMP had finalized the rates, but PPT had not agreed with the order and proceeded with a writ petition before the Hon'ble High Court of Odisha against the said order. Pending disposal of the case, the Company has not recognized the amount receivable from PPT towards the excess amount paid over the applicable TAMP order.

## Note 40

During the year, a sum of ₹ 119.14 (31 March 2022: ₹ 112.46) including capital expenditure of ₹ 0.95 (31 March 2022: ₹ 0.76) was spent on research and development (excluding depreciation charge).

## Note 41 : Analytical ratios

Ratio	Numerator	Denominator	Current year	Previous year	aa
Current ratio (in times)	Total current assets	Total current liabilities	1.10	1.02	8%
Debt-Equity ratio (in times)	Total borrowings	Total equity	1.32	1.33	0%
Debt service coverage ratio (in times) (Note a)	Earning for Debt Service = Profit for the year + Interest expenses + Depreciation and amortisation expenses + Other non-cash adjustments	Debt service = Interest + Principal repayments	1.24	2.79	-56%
Return on equity ratio (in %) (Note b)	Profit for the year	Average total equity	10.60%	19.63%	-46%
Inventory turnover ratio (in times)	Revenue from operations	Average inventory	5.89	4.92	20%
Trade receivables turnover ratio (in times) (Note c)	Revenue from operations	Average trade receivables	5.68	7.35	-23%
Trade payables turnover ratio (in times)	Purchase of raw materials and traded goods	Average trade payables	5.16	4.77	8%
Net capital turnover ratio (in times) (Note c)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	37.88	24.20	56%
Net profit ratio (in %) (Note d)	Profit for the year	Revenue from operations	2.28%	5.07%	-55%
Return on capital employed (in %) (Note e)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Total debt + Deferred tax liabilities	8.70%	11.76%	-26%
Return on investment (in %)	Income generated from invested funds	Average investments	2.04%	2.00%	2%

### Notes:

- a) The % change is primarily on account of increase in debt to be serviced during the year.
- b) The % change is primarily on account of lower profits earned during the year coupled with increase in average equity.
- c) The % change is primarily on account of increase in turnover coupled with better working capital management.
- d) The % change is primarily on account of lower profits earned against higher revenue during the year.
- e) The % change is primarily on account of lower profits earned against higher capital employed during the year.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 42(a) : Employee share based payment

Pursuant to the resolutions passed by the Board and by the Shareholders on 10<sup>th</sup> August 2021, the Company approved 'PPL Employees Stock Option Plan 2021 ("ESOP 2021")' is in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 3,600,000 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

Pursuant to the resolution passed by the Board on 29<sup>th</sup> April 2022 the Company has granted 2,400,058 nos of options under ESOP Scheme at a exercise price of ₹42 per option. The total number of options available under ESOP Scheme is 3,600,000 which are exercisable for 3,600,000 Equity Shares.

Vesting conditions	Exercise period	Date of Grant	Numbers of options granted	Exercise price per share
On continued employment with the Company	3 years from date of each vesting	29 <sup>th</sup> April 2022	24,00,058	₹42

### Vesting schedule :

Vesting schedule of the said options granted on 29<sup>th</sup> April 2022 was as follows:

- After 12 Months from the date of grant : 30 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 36 Months from the date of grant : 35 % of the options granted

The Exercise period shall not be more than 5 (Five) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

### The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

Particulars	
Grant date	29 <sup>th</sup> April 2022
Fair value at grant date (₹)	18.69
Share price at grant date (₹)	41
Exercise price (₹)	42
Expected Life (expected weighted average life)	4.50
Expected dividend yield (%)	0
Expected volatility	45%
Risk free interest rate (based on zero-yield curve for Government Securities)	6.70%

### Reconciliation of outstanding share options:

Particulars	As at 31 <sup>st</sup> March 2023
Number of Options Outstanding at the beginning of the year	-
Number of Options granted during the year	2,400,058
Number of Options forfeited/lapsed during the year	381,054
Number of Options vested during the year	-
Number of Options outstanding at the end of the year	2,019,004
Number of Options exercisable at the end of the year	-

### Expense arising from share based payment transactions:

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

Particulars	Year ended 31 <sup>st</sup> March 2023
Expenses on Employees Stock Options Scheme	197.83





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 42(b) : The utilisation of IPO proceeds out of fresh issue is summarized below:

During financial year 2022-23 the Company completed its Initial Public Offer (IPO) of 357,555,112 equity shares of face value of ₹ 10/- each for cash at an issue price of ₹ 42/- per equity share aggregating to ₹ 150,173.15, consisting of fresh issue of 239,047,619 equity shares aggregating to ₹ 100,400.00 and an offer for sale of 118,507,493 equity shares aggregating to ₹49,773.15 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 27<sup>th</sup> May 2022.

## The utilisation of IPO proceeds out of fresh issue is summarized below:

Particulars	Object of the issue as per prospectus	Utilisation upto 31 <sup>st</sup> March 2023	Unutilised amount as at 31 <sup>st</sup> March 2023
Part-financing the acquisition of the Goa Facility	52,000	52,000	-
Repayment/prepayment of certain of our borrowings	30,000	33,450	-
General corporate purposes	14,315	10,865	-

## Note 43

- a) The Company, has not entered into any transactions with struck off companies, during the year ended 31<sup>st</sup> March 2023 (previous year ended 31<sup>st</sup> March 2022).
- b) No funds 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(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, no funds that have been received by the Company from any person(s) or entity(is), including foreign entities ("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.

## Note 44 : Business combination

- (a) During the year Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited ("ZACL") on a slump sale going concern basis pursuant to the business transfer agreement entered into by the Company with ZACL. The acquisition was completed and effective from 1<sup>st</sup> June 2022 for a consideration of ₹ 168,797.46 which was paid to ZACL pursuant to the business transfer agreement. The Goa plant and allied business acquired by the Company is in the business of manufacture and sale of urea and complex fertilisers.

## (b) Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:-

Particulars	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>	
<b>I. Non-current assets</b>	
(a) Property, plant and equipment	147,378.30
(b) Right-of-use assets	1,082.90
(c) Capital work-in-progress	12,992.80
(d) Intangible assets	76.13
(e) Financial Assets	
(i) Loans	19.30
(ii) Others	233.20
<b>Total non-current assets</b>	<b>161,782.63</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2023
<b>II. Current assets</b>	
(a) Inventories	9,194.20
(b) Financial assets	
(i) Loans	3.50
(ii) Trade receivables	37,010.20
(iii) Other financial assets	170.93
(c) Other current assets	15,198.20
<b>Total current assets</b>	<b>61,577.03</b>
<b>Total assets A (I+II)</b>	<b>223,359.66</b>
<b>Liabilities</b>	
<b>(1) Non-current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	10.10
(ii) Lease Liabilities	1,780.78
<b>Total non-current liabilities</b>	<b>1,790.88</b>
<b>(II) Current liabilities</b>	
(a) Financial liabilities	
(i) Trade payables	41,047.16
(ii) Other financial liabilities	14,070.90
(b) Other current liabilities	2,365.26
(c) Provisions	1,792.90
<b>Total current liabilities</b>	<b>59,276.22</b>
<b>Total liabilities B (I+II)</b>	<b>61,067.10</b>
<b>Total fair value of net assets acquired C (A-B)</b>	<b>162,292.56</b>
<b>Closing Consideration D</b>	<b>168,797.46</b>
<b>Deferred tax asset relating to origination and differences of Goa unit on Slump sale E</b>	<b>697.96</b>
<b>Goodwill (D-C-E)</b>	<b>5,806.94</b>

- (c) Acquisition related costs amounting to ₹ 4.68 on legal fees, valuation fees, ₹ 3,069.91 as stamp duty have been recognized as legal and professional expense and rates and taxes respectively in the Standalone Statement of Profit and Loss within Other expenses.
- (d) From the date of acquisition, the acquired business contributed ₹ 4,28,259.23 to total income and a profit of ₹ 3,453.74 to the standalone profit before tax. Had the business combination been effected at April 1, 2022, the total income of the Company would have been higher by ₹ 28,622.00 and profit before tax would have been lower by ₹ 1,522.00 .
- (e) The goodwill recognized is attributable to expected synergies from combining operations of the Company and acquired business and would not be deductible for tax purposes.
- (f) In relation to property, plant and equipment acquired through business combination fair valuation was determined based on the valuation model which considered market prices for similar items and depreciated replacement cost, as appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

(g) Contingent liabilities was recognized on acquisition, the details of which are as under:-

Particulars	Amount
Customs duty demand	530.14
Goods and services tax demand	4,016.08
Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas	4,291.34
Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips	140.52

As at 31<sup>st</sup> March 2023, there has been no change in the amount recognized as contingent liabilities on 1<sup>st</sup> June 2022, as there has been no change in the probability of the outcome of the cases as noted above.

## Note 45

The subsidy rates for phosphatic fertilizers under Nutrient Based Subsidy Scheme for the year ended 31<sup>st</sup> March 2023 have been recognised based on management's estimate, pending finalization by the Government of India.

**Note 46:** The Standalone Financial Statements were approved for issue by the board of directors on 17<sup>th</sup> May 2023.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023



# INDEPENDENT AUDITOR'S REPORT

To the Members of

## Paradeep Phosphates Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Paradeep Phosphates Limited (hereinafter referred to as the "Company") and its associate, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner

so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Recognition and recoverability of subsidy revenue

See Note 8 and 20 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company recognizes the subsidy revenue from the Department of Fertilisers, Government of India ('GoI'). The revenue is recognised as per Nutrient Based Subsidy Policy ('NBS Policy') for Phosphatic and Potassic fertilisers and New Pricing Scheme for Urea at the time of sale of goods to its customers.</p> <p>Subsidy revenue is recognized on the basis of rates notified from time to time by the Department of Fertilisers, Government of India in accordance with NBS Policy and New Pricing Scheme. It is recognised on the basis of quantity of fertilisers sold by the Company. Further, recognition and realisability of subsidy income is subject to various conditions as per the GoI Policy. During the year, the Company has recognised Rs. 856,302.14 lakhs as subsidy revenue and out of this an amount of Rs. 306,937.59 lakhs is receivable as on 31 March 2023.</p>	<p>In view of the significance of the matter, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>evaluated the design, implementation and operating effectiveness of internal controls for recognition and recoverability of subsidy revenue</li> <li>read the relevant notifications and circulars issued by the GoI from time to time with regard to subsidy policies</li> <li>reconciled the sales quantity considered for subsidy revenue with the actual sales made by the Company</li> <li>reconciled the quantities considered for estimation of subsidy revenue with quantities as per Integrated Fertilizer Management System</li> <li>evaluated the Company's assessment regarding compliances with relevant conditions as specified in the notifications and policies relating to subsidy</li> </ul>



## Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
In view of the significance of subsidy revenue and significant judgements involved around the interpretation and satisfaction of conditions specified in Gol policy, we have considered recognition and recoverability of subsidy income as a key audit matter.	<ul style="list-style-type: none"> <li>understood and challenged the basis of judgements made in relation to the relevant notifications/circulars including past precedence and subsequent evidence, as applicable</li> <li>for evaluating the recoverability of receivables, tested the ageing analysis and assessed the information used to determine the recoverability of receivables by considering the historical trends and subsequent collections</li> </ul>

**Business combination**

See Note 44 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 March 2023, the Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited on 1 June 2022.</p> <p>The Company has accounted for this acquisition as a business combination as per Ind AS 103 with effect from the date of acquisition.</p> <p>The Company carried out a purchase price allocation as of the acquisition date. It accounted for its assets, liabilities and disclosed contingent liabilities as of the acquisition date. The excess of purchase price paid over net assets has been recognized as goodwill.</p> <p>The Company has involved external valuers for determination of fair value of land, buildings and other property, plant and equipment using relevant valuation models.</p> <p>Given the complexity and judgements involved in fair value measurement of the acquisition, we have considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>read the business transfer agreement for the business purchase to understand the key terms and conditions</li> <li>assessed the accounting treatment followed is in compliance with Ind AS 103</li> <li>inspected the work of the experts by examining the valuation reports</li> <li>evaluated the purchase price allocation and checked valuation of tangible assets by involving our internal valuation specialists</li> <li>assessed the adequacy of the Company's disclosure is in line with Ind AS 103</li> </ul>

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company and its associate are

## Independent Auditor's Report (Contd.)

responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Company and its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company 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.





## Independent Auditor's Report (Contd.)

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

### Other Matter

- a. The consolidated financial statements include the Company's share of net profit of Rs. 50.52 lakhs and other comprehensive loss of Rs. 53.28 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of the associate, whose financial information has not been audited by us or by other auditor. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated 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 of the Company as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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, in our opinion and to the best of our information and according to the explanations given to us:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Company. Refer Note 29 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 15 to the consolidated financial statements in respect of such items as it relates to the Company.
  - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.

## Independent Auditor's Report (Contd.)

- d (i) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the consolidated financial statements, no funds 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.
- (ii) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the consolidated financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed 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 (i) and (ii) above, contain any material misstatement.
- e. As stated in Note 13 to the consolidated financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN: 23055757BGYIHN4195



## **ANNEXURE A** to the Independent Auditor's Report on the Consolidated Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by the auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Company/Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Paradeep Phosphates Limited	L241290R198 1PLC001020	Company	(i)(c), (ii)(b)

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Membership No.: 055757

ICAI UDIN: 23055757BGYIHN4195

Place: Bengaluru

Date: 17 May 2023

## **ANNEXURE B** to the Independent Auditor's Report on the consolidated financial statements of Paradeep Phosphates Limited for the year ended 31 March 2023

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act (Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of Paradeep Phosphates Limited (hereinafter referred to as "the Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company, as of that date.

In our opinion, the Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with

reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated 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 internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



## Annexure B to the Independent Auditor's Report (Contd.)

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN:23055757BGYIHN4195



# CONSOLIDATED BALANCE SHEET

As at 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	4(a)	279,571.01	125,973.84
(b) Right of use assets	4(c)	1,619.27	-
(c) Capital work-in-progress	4(b)	69,686.32	33,629.46
(d) Goodwill	44	5,806.94	-
(e) Other intangible assets	4(d)	177.84	86.23
(f) Equity accounted investment	5(a)	315.29	289.43
(g) Other income tax assets(net)		1,106.62	1,236.50
(h) Other non-current assets	6	5,900.04	118,276.53
<b>Total non-current assets</b>		<b>364,183.33</b>	<b>279,491.99</b>
<b>II. Current assets</b>			
(a) Inventories	7	223,767.72	229,322.24
(b) Financial assets			
(i) Investments	5(b)	-	55,036.14
(ii) Trade receivables	8	368,973.75	90,247.54
(iii) Cash and cash equivalents	9(a)	4,303.42	53,784.10
(iv) Bank balances other than (iii) above	9(b)	6,681.98	5,987.37
(v) Other financial assets	10	33,718.27	33,844.36
(c) Other current assets	6	64,048.36	45,080.39
(d) Assets classified as held for sale	11	23.26	23.96
<b>Total current assets</b>		<b>701,516.76</b>	<b>513,326.10</b>
<b>Total assets (I+II)</b>		<b>1,065,700.09</b>	<b>792,818.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(a) Equity share capital	12	81,449.76	57,545.00
(b) Other equity	13	269,020.47	164,954.74
<b>Total equity</b>		<b>350,470.23</b>	<b>222,499.74</b>
<b>II. Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(a)	61,188.79	52,817.08
(ii) Lease liabilities	14(b)	1,603.78	-
(iii) Other financial liabilities	15	180.42	286.71
(b) Provisions	16	2,379.21	2,654.83
(c) Deferred tax liabilities (net)	17	10,778.02	9,218.11
<b>Total non-current liabilities</b>		<b>76,130.22</b>	<b>64,976.73</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(c)	401,921.53	242,612.49
(ii) Lease liabilities	14(b)	77.32	-
(iii) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		667.47	818.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises		190,580.20	226,521.11
(iv) Other financial liabilities	15	24,003.11	7,766.76
(b) Other current liabilities (net)	19	11,554.50	14,900.85
(c) Provisions	16	9,000.56	7,524.57
(d) Current tax liabilities		1,294.95	5,197.08
<b>Total current liabilities</b>		<b>639,099.64</b>	<b>505,341.62</b>
<b>Total liabilities (1+2)</b>		<b>715,229.86</b>	<b>570,318.35</b>
<b>Total equity and liabilities (I+II)</b>		<b>1,065,700.09</b>	<b>792,818.09</b>

Summary of significant accounting policies

3

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023





# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Income</b>			
I. Revenue from operations	20	1,334,072.19	785,871.92
II. Other income	21	9,107.00	3,926.99
<b>III. Total income (I+II)</b>		<b>1,343,179.19</b>	<b>789,798.91</b>
<b>IV. Expenses</b>			
Cost of raw materials consumed	22	1,043,969.52	524,622.29
Purchase of stock-in-trade		18,226.12	142,828.18
Changes in inventories of finished goods, stock-in-trade and work in progress	23	(877.73)	(39,324.17)
Employee benefits expense	24	21,320.25	13,850.44
Finance costs	25	29,124.25	8,554.14
Depreciation and amortisation expense	26	17,515.31	9,045.72
Other expenses	27	171,335.01	76,784.20
<b>Total expenses (IV)</b>		<b>1,300,612.73</b>	<b>736,360.80</b>
<b>V. Profit before share of equity accounted investee and tax (III-IV)</b>		<b>42,566.46</b>	<b>53,438.11</b>
<b>VI. Share of net profit of associate accounted for using the equity method (net of tax)</b>		50.52	61.12
<b>VII. Profit before tax (V+VI)</b>		<b>42,616.98</b>	<b>53,499.23</b>
<b>VIII. Tax expense</b>			
- Current tax	17	9,629.93	13,721.45
- Income tax charge for the earlier years (net)	17	333.15	-
- Deferred tax charge/(credit)	17	2,234.64	(67.54)
<b>Total tax expense</b>		<b>12,197.72</b>	<b>13,653.91</b>
<b>IX. Profit for the year (VII-VIII)</b>		<b>30,419.26</b>	<b>39,845.32</b>
<b>X. Other comprehensive income / (loss)</b>			
<b>A Items that will be reclassified to profit or loss</b>			
a) Exchange differences on translation of foreign operations		(24.66)	(50.21)
<b>Items that will not be reclassified to profit or loss</b>			
a) Remeasurement gain/(loss) of the defined benefit plans		92.33	(61.92)
b) Income tax on above	17	(23.23)	15.58
<b>Total other comprehensive income/(loss) for the year</b>		<b>44.44</b>	<b>(96.55)</b>
<b>XI. Total comprehensive income for the year (IX + X)</b>		<b>30,463.70</b>	<b>39,748.77</b>
<b>XII. Earnings per equity share (nominal value of ₹ 10 each)</b>			
Basic [in ₹]	28	3.90	6.91
Diluted [in ₹]	28	3.90	6.91

Significant accounting policies

2

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	42,616.98	53,499.23
<i>Adjustments for</i>		
Depreciation and amortisation expense	17,515.31	9,045.72
Finance costs	25,151.99	6,151.37
Interest income	(986.50)	(299.99)
Profit on sale of current investments	(93.36)	(635.85)
Gain on fair valuation of investments measured at fair value through profit or loss	-	(38.13)
Loss on sale / discard of property, plant and equipment (net)	1,511.90	1,289.42
Loss allowance	1,239.90	2,095.78
Bad debts, claims and advances written off	68.73	10.23
Unspent liabilities/provision no longer required written back	(6,883.44)	(1,727.47)
Foreign exchange fluctuation loss unrealised (net)	2,586.92	3,922.46
Share of profit from associate	(50.52)	(61.12)
<b>Operating cash flow before working capital changes</b>	<b>82,677.91</b>	<b>73,251.65</b>
<b>Changes in working capital</b>		
Decrease/(increase) in inventories	14,748.72	(139,416.88)
Increase in trade receivables	(242,375.30)	(10,627.34)
Increase in financial and other assets	(4,033.41)	(51,707.35)
(Decrease)/increase in trade payables and other current liabilities	(74,426.45)	132,807.79
Decrease in provisions	(523.43)	(143.48)
<b>Cash generated from/(used in) operating activities</b>	<b>(223,931.96)</b>	<b>4,164.39</b>
Less: Income taxes paid (net of refunds)	(13,735.33)	(8,552.21)
<b>Net cash used in operating activities (A)</b>	<b>(237,667.29)</b>	<b>(4,387.82)</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	37.73	38.40
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(43,618.36)	(62,022.19)
Purchase of business	(53,700.00)	-
Investments in current investments - mutual funds	(440,021.35)	(537,889.63)
Proceeds from sale of current investments - mutual funds	495,150.85	495,731.47
Interest received	891.16	326.12
Investment in deposits with maturity of more than three months	(610.42)	(6,062.09)
<b>Net cash used in investing activities (B)</b>	<b>(41,870.39)</b>	<b>(109,877.92)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of share capital	97,506.79	-
Proceeds from non-current borrowings	43,921.48	57,247.95
Repayment of non-current borrowings	(18,217.42)	(6,611.19)
Proceeds from current borrowings	1,449,982.82	568,106.27
Repayment of current borrowings	(1,321,402.61)	(455,856.89)
Interest paid	(21,734.06)	(3,988.75)
<b>Net cash generated from financing activities (C)</b>	<b>230,057.00</b>	<b>158,897.39</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(49,480.68)</b>	<b>44,631.65</b>
<b>Cash and cash equivalents at the beginning of the year</b>	53,784.10	9,152.45
<b>Cash and cash equivalents at the end of the year (refer Note 9(a))</b>	<b>4,303.42</b>	<b>53,784.10</b>

The cashflow from operating activities in the above consolidated statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (a) Equity share capital

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Balance at the beginning of the year</b>	575,450,000	57,545.00	5,754,500	57,545.00
Shares issued during the year	239,047,619	23,904.76	-	-
Changes in equity share capital during the year	-	-	569,695,500	-
<b>Balance at the end of the year</b>	<b>814,497,619</b>	<b>81,449.76</b>	<b>575,450,000</b>	<b>57,545.00</b>

## (b) Other equity

Particulars	As at 31 <sup>st</sup> March 2023					As at 31 <sup>st</sup> March 2022		
	Foreign Currency Translation Reserve	Retained earnings	Securities premium	Share option outstanding reserve	Total other equity	Foreign Currency Translation Reserve	Retained earnings	Total other equity
<b>Balance at the beginning of the year</b>	(25.97)	164,980.71	-	-	164,954.74	24.24	125,181.73	125,205.97
Profit for the year	-	30,419.26	-	-	30,419.26	-	39,845.32	39,845.32
Premium received on issue of shares during the year	-	-	73,404.20	-	73,404.20	-	-	-
ESOP reserve	-	-	-	197.83	197.83	-	-	-
Other comprehensive income for the year *	(24.66)	69.10	-	-	44.44	(50.21)	(46.34)	(96.55)
<b>Total for the year</b>	<b>(24.66)</b>	<b>30,488.36</b>	<b>73,404.20</b>	<b>197.83</b>	<b>104,065.73</b>	<b>(50.21)</b>	<b>39,798.98</b>	<b>39,748.77</b>
<b>Balance at the end of the reporting year</b>	<b>(50.63)</b>	<b>195,469.07</b>	<b>73,404.20</b>	<b>197.83</b>	<b>269,020.47</b>	<b>(25.97)</b>	<b>164,980.71</b>	<b>164,954.74</b>

\* Other comprehensive income included under retained earnings represents remeasurement of defined benefit plans (net of tax).

Refer note 13 for details on the nature and purpose of the reserve

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CORPORATE AND GENERAL INFORMATION

Paradeep Phosphates Limited ('the Company') is a public company domiciled and headquartered in Bhubaneswar, India. Zuari Agro Chemicals Limited (ZACL) holds 28.05% of equity shares of Paradeep Phosphates Limited ('the Company') through its joint venture Zuari Maroc Phosphates Private Limited (ZMPPL) and is its largest shareholder alongwith OCP S.A.. PPL and ZACL have certain directors in common. It is incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacture of Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades, and Zypmite (Gypsum based product) having its manufacturing facility at the port town of Paradeep, District Jagatsinghpur, Odisha and at Zuari Nagar, Goa. The Company is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. The Company caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers. The Company has one associate incorporated in Myanmar under the name of Zuari Yoma Agri Solutions Limited.

### 1. Basis of preparation

- (a) These financial statements are prepared in accordance with Indian Accounting Standards (IND AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values notified under the provisions of the Companies Act 2013 ("the Act") to the extent applicable. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting Standards), Rule, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied to all the years 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.

- (b) These Consolidated Financial Statements are presented in Indian Rupees ("₹"), which is also the Company's functional and presentation currency. All amounts have been rounded off to the nearest Lakhs, unless otherwise indicated.
- (c) The Consolidated Financial Information have been presented on historical cost convention on the accrual basis except for the following:
- Certain financial assets and liabilities, which are measured at fair value.

- Net defined benefit (asset)/liability, which are measured at present value of defined benefit obligations less fair value of plan assets.

### 2A. Basis of consolidation

The Consolidated Financial Information incorporate the Financial Statements of the Company and its associate. Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company.

Investment in associate is accounted for using equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss and the Company's share of other comprehensive income of the investee in other comprehensive income. When the Company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Company does not recognise further losses, unless it has incurred obligations on behalf of the other entity.

Unrealised gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity accounted investments are tested for impairment.

The details of associate included in these consolidated financial statements are as under:

Name of associate	Ownership interest	Country of Incorporation
Zuari Yoma Agri Solutions Limited	50%	Myanmar

### 2B. Significant accounting policies

#### (i) Classification of assets and liabilities into current/non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

purpose of being traded; or (c) it is expected to be realised within twelve months after the reporting date; or (d) it 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. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) 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 liabilities have been classified as non-current.

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

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

### (ii) Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, taxes, borrowing costs, if recognition criteria are met, and any directly attributable cost incurred to bring the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Replaced assets held for disposal are stated at lower of their carrying amount and fair value less costs to sell, and depreciation on such assets ceases and shown under "Assets held for sale".

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Other indirect expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period, if any, is deducted from the total of the indirect expenditure.

### (iii) Depreciation on property, plant and equipment

a. Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the Management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful life to provide depreciation on its property, plant and equipment based on technical evaluation done.

Class of Assets	Useful Lives estimated by the management (Years)
Buildings	30/60
Roads and culverts	3 to 5
Plants and equipments (Continuous process plant)	25
Plant and equipments (Non continuous process)*	5 to 20
Furniture, Fixtures & fittings*	2 to 10
Vehicles	8
Office equipments	3 to 6
Railway siding	15

\* Useful lives are different to the lives prescribed under Schedule II to the Companies Act, 2013.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. These are estimated by the management supported by independent assessment by professionals.

The Company has used the following useful life to provide depreciation on its property, plant and equipment relating to Goa plant acquired as on 1 June 2022 based on technical evaluation done.

<b>Class of Assets</b>	<b>Useful Lives estimated by the management (Years)</b>
Buildings	11 to 43
Plants and equipments	More than 1 and upto 25
Furniture, Fixtures & fittings	More than 1 and upto 10
Vehicles	More than 1 and upto 10
Office equipments	More than 1 and upto 6
Railway siding	3 to 30

- b. Premium on land held on leasehold basis considered as Right of Use Asset is amortised over the period of lease.
- c. The classification of plant and machinery into continuous and non-continuous process is done as per technical certification by the management and depreciation thereon is provided accordingly.
- d. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### (iv) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful

life are reviewed at least once at the end of each reporting period. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The following are the acquired intangible assets:

Software:

The management of the Company assessed the useful life of software as finite and cost of software is amortised over their estimated useful life of three years on straight line basis.

#### (v) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset (except inventories and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (vi) Leases

At inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset, whether specified explicitly or implicitly;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Company has right to direct the use of the asset by either having right to operate the asset or the Company having designed the asset in a way that predetermines how and for what purpose it will be used.

#### Accounting as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The estimates of useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not

paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has elected not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on straight line basis over the lease term.

### (vii) Foreign currency transactions

#### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is Company's functional and presentation currency.

#### (b) Initial recognition

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction.

#### (c) Conversion

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial recognition.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

## (viii) Derivative financial instruments

### *Initial recognition and subsequent measurement*

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

## (ix) Fair value measurement

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

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 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 the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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 categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and 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.

## (x) 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.

### Financial Assets

#### Initial recognition and measurement:

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables are measured at transaction price in accordance with Ind AS 115.

#### Subsequent measurement:

#### Financial assets being debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit and loss (FVTPL).

Debt instruments at amortised cost:

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI:

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## **Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **Impairment of Financial Assets:**

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

## **Financial Liabilities**

### ***Initial recognition and measurement:***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

### ***Subsequent Measurement:***

The measurement of financial liabilities depends on their classification, as described below:

### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

### ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### ***Derecognition:***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (xi) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### (xii) Inventories

- i. Inventories are valued at the lower of cost and net realizable value.
- ii. The cost is determined as follows:
  - (a) Raw Materials, Stores, Spare Parts, Chemical, Fuel Oil and Packing Materials: Weighted average method
  - (b) Intermediaries: Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity
  - (c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity including Excise Duty
  - (d) Traded goods: Weighted average method
- iii. By-products such as treated gypsum are measured at net realizable value, adjusted against the cost of main product.
- iv. Net realizable value is the estimated selling price including applicable subsidy in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

- v. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

### (xiii) Borrowing cost

Borrowing costs include interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### (xiv) Revenue Recognition

The Company earns revenue primarily from sale of fertilizers. The following specific criteria must also be met before revenue is recognised:

#### Sale of goods

At contract inception, Company assess the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods which is usually dispatch/delivery of goods, based on contracts with customers. There is no significant



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

## **Contract balances**

### **Contract assets**

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (x) to significant accounting policies on Financial instruments – initial recognition and subsequent measurement.

### **Contract liabilities**

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## **Subsidy income**

Concessions in respect of Urea as notified under the New Pricing Scheme is recognised with adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for DAP, Muriate of Potash (MOP) and Complex Fertilizers are recognised as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time, where there is reasonable assurance of complying with the conditions of the policy.

Subsidy on freight charges for DAP, MOP and

Complex Fertilizers is recognised based on rates notified by the Government of India with the known policy parameters in this regard and included in subsidy.

## **Interest Income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable EIR. Claims receivable on account of interest from dealers on delayed payments are accounted for to the extent the Company is reasonably certain of their ultimate collection.

## **Dividend Income**

Dividend income is recognised when the Company's right to receive the payment is established.

## **Insurance claims**

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

## **(xv) Government grants and subsidies**

Grants and subsidies [other than subsidy income considered in point (xiv) above] from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

deferred income and released to income in equal amounts over the expected useful life of the related asset.

## (xvi) Employee benefits

### Share-based payments

Share-based compensation benefits are provided to employees via PPL Employees Stock Option Plan 2021 ("ESOP 2021"). The fair value of the options granted under ESOP 2021 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

### Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### Defined Contribution Plan

Retirement benefit in the form of contribution to pension fund, superannuation fund and national pension scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to these schemes. The Company recognises contribution payable to these fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service

received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### Defined Benefit Plans

- i) Liability for Gratuity and Post Retirement Medical Benefits are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan and post employment medical benefit plan has been funded by policy taken from Life Insurance Corporation of India.
- ii) Liability for Provident fund is provided for on the basis of actuarial valuation carried at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

### Other long term benefits

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Liability for accumulated compensated absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The Company measures the expected cost of accumulated compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose.

## **(xvii) Income tax**

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future

taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current tax liability. Accordingly, MAT is recognised 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 realised.

## **(xviii) Segment Reporting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

## **(xix) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

### (xx) Contingent liabilities

A contingent liability 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 wholly within the control of the enterprise. A contingent liability is also a present obligation that arises from past events but outflow of resources embodying economic benefits is not probable.

### (xxi) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

### (xxii) Business combinations

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain

in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### (xxiii) Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### 3A. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The changes in estimates are made as the management becomes aware of such changes. The

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

changes in estimates are recognised in the period in which the estimates are revised.

## **i) Defined benefit plans**

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 32.

## **ii) Useful life of Property, plant and equipment**

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date. Refer Note 4(a).

## **iii) Fair value measurement of financial instruments**

Refer Note 34 for information about fair value measurement.

## **iv) Revenue recognition**

The Company provides various rebates and incentives to the customers. In estimating the same, the Company is required to use either the expected value method or the most likely method. The Company determined that the expected value method is the appropriate method for determining estimates to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical experience and business forecast and current market conditions. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value thereof.

## **v) Fair value of assets and liabilities acquired on**

## **business combination**

Refer Note 44 for information about fair values of assets and liabilities acquired on business combination.

## **vi) Provisions and contingencies**

Refer Note 29 for key assumptions about likelihood and magnitude of an outflow of economic resources in relation to recognition and measurement of contingent liabilities.

## **3B. Standards issued but not yet effective**

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 31<sup>st</sup> March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 4(a) : Property, plant and equipment

### Reconciliation of carrying amount

	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Railway siding	Total (A)
<b>Balance as at 1<sup>st</sup> April 2021</b>	39.84	584.90	39,617.10	660.37	115,081.08	395.72	472.04	932.81	657.92	<b>158,441.78</b>
Additions during the year	-	-	322.16	337.23	12,228.28	26.60	108.38	107.82	188.92	<b>13,319.39</b>
Disposals/ discard during the year	-	-	6.82	-	1,586.82	9.39	56.93	25.83	-	<b>1,685.79</b>
Adjustment (refer note 4 below)	-	-	-	-	488.37	-	-	-	-	<b>488.37</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>39.84</b>	<b>584.90</b>	<b>39,932.44</b>	<b>997.60</b>	<b>126,210.91</b>	<b>412.93</b>	<b>523.49</b>	<b>1,014.80</b>	<b>846.84</b>	<b>170,563.75</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	39.84	584.90	39,932.44	997.60	126,210.91	412.93	523.49	1,014.80	846.84	<b>170,563.75</b>
Additions during the year	-	-	89.23	9.77	22,341.37	41.56	231.74	233.20	197.49	<b>23,144.36</b>
Adjustment on account of business acquisition (refer Note 44)	-	43,240.00	5,066.10	-	96,325.25	63.80	201.56	379.36	1,687.69	<b>146,963.76</b>
Disposals/ discard during the year	-	-	-	-	2,062.01	9.33	87.86	14.37	0.67	<b>2,174.24</b>
Adjustment (refer note 4 below)	-	-	-	-	2,348.81	-	-	-	-	<b>2,348.81</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>39.84</b>	<b>43,824.90</b>	<b>45,087.77</b>	<b>1,007.37</b>	<b>245,164.33</b>	<b>508.96</b>	<b>868.93</b>	<b>1,612.99</b>	<b>2,731.35</b>	<b>340,846.44</b>

	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Railway siding	Total (A)
<b>Accumulated depreciation</b>										
<b>Balance as at 1<sup>st</sup> April 2021</b>	2.82	-	4,348.53	187.10	30,369.50	218.87	162.54	506.23	135.77	<b>35,931.36</b>
Charge for the year	0.44	-	1,385.13	112.30	7,271.65	40.93	58.74	108.74	38.95	<b>9,016.88</b>
Deductions	-	-	1.74	-	304.57	6.06	22.75	23.21	-	<b>358.33</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>3.26</b>	<b>-</b>	<b>5,731.92</b>	<b>299.40</b>	<b>37,336.58</b>	<b>253.74</b>	<b>198.53</b>	<b>591.76</b>	<b>174.72</b>	<b>44,589.91</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	3.26	-	5,731.92	299.40	37,336.58	253.74	198.53	591.76	174.72	<b>44,589.91</b>
Charge for the year	0.44	-	1,568.83	148.16	14,999.34	70.35	124.50	276.73	122.48	<b>17,310.83</b>
Deductions	-	-	-	-	564.38	8.04	42.27	10.62	-	<b>625.31</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>3.70</b>	<b>-</b>	<b>7,300.75</b>	<b>447.56</b>	<b>51,771.54</b>	<b>316.05</b>	<b>280.76</b>	<b>857.87</b>	<b>297.20</b>	<b>61,275.43</b>

### Net Carrying amount

Balance as at 31 <sup>st</sup> March 2022	36.58	584.90	34,200.52	698.20	88,874.33	159.19	324.96	423.04	672.12	125,973.84
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>36.14</b>	<b>43,824.90</b>	<b>37,787.02</b>	<b>559.81</b>	<b>193,392.79</b>	<b>192.91</b>	<b>588.17</b>	<b>755.12</b>	<b>2,434.15</b>	<b>279,571.01</b>

\* Company is in the process of executing conveyance deed / patta for land measuring 178.06 acres amounting to ₹27.94 Lakhs

Item of Balance Sheet	Description of Item	Gross Carrying Value	Title deed in favour of	If in the name of director etc	Property held since	Reason of not being held in the name of the Company
Property, Plant and equipment	Freehold land	27.94	NA	NA	1982-85	Delay on account of administrative formalities

### Notes:

- Refer Note 14(a) and 14(c) relating to borrowings in respect of property, plant and equipment provided as security against those borrowings.
- Refer Note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation rate relating to general borrowings was at 7.88% (31<sup>st</sup> March 2022: 7.22%).
- Adjustments include adjustment on account of borrowing costs and foreign exchange fluctuations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## 4(b) Capital work-in-progress

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Opening balance	33,629.46	22,005.97
Add: Addition during the year	48,557.23	25,431.25
Adjustment:-on account of business acquisition (refer Note 44)	12,992.80	-
Less: Capitalisation during the year	25,493.17	13,807.76
Closing balance	<b>69,686.32</b>	<b>33,629.46</b>

Closing balance includes other direct capital expenditure (pending allocation) ₹ 4,685.65 (31<sup>st</sup> March 2022: ₹ 3,244.34)

## CWIP Ageing Schedule

As at 31<sup>st</sup> March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	49,585.20	14,013.52	3,100.90	2,986.70	69,686.32
Projects temporarily suspended	-	-	-	-	-

As at 31<sup>st</sup> March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	15,885.33	7,699.53	5,449.42	4,595.18	33,629.46
Projects temporarily suspended	-	-	-	-	-

Details of projects forming part of CWIP and which have become overdue compared to their original plans or where cost is exceeded compared to original plans

As at 31<sup>st</sup> March 2023

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
4 <sup>th</sup> Evaporator of Phosphoric acid plant	5,946.09	-	-	-
Phosphoric acid plant expansion	17,941.93	-	-	-
Sulphuric acid plant	-	12,137.28	-	-

As at 31<sup>st</sup> March 2022

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
DAP Revamp	8,514.07	-	-	-
4 <sup>th</sup> Evaporator of Phosphoric acid plant	4,779.88	-	-	-
Phosphoric Acid Plant Expansion	10,533.04	-	-	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## 4(c) Right of use assets

Particulars	Right of use building	Right of use Land	Total Right of use assets
<b>As at 1<sup>st</sup> April 2022</b>	-	-	-
<b>Adjustments-on account of business acquisition (refer Note 44)</b>	<b>112.61</b>	<b>1,384.83</b>	<b>1,497.44</b>
Additions	112.44	125.11	<b>237.55</b>
<b>Total</b>	<b>225.05</b>	<b>1,509.94</b>	<b>1,734.99</b>
<b>Depreciation</b>			
<b>As at 1<sup>st</sup> April 2022</b>	-	-	-
Charge for the year	18.06	97.66	<b>115.72</b>
<b>Total</b>	<b>18.06</b>	<b>97.66</b>	<b>115.72</b>
<b>Net block</b>			
<b>As at 31<sup>st</sup> March 2023</b>	<b>206.99</b>	<b>1,412.28</b>	<b>1,619.27</b>

## 4(d) Intangible assets

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	Computer Software	Computer Software
<b>Gross block</b>		
Balance as at beginning of the year	425.88	421.36
Additions during the year	104.24	4.52
Disposals/discard during the year	-	-
Adjustments - on account of business acquisition (refer Note 44)	76.13	-
<b>Balance as at end of the year</b>	<b>606.25</b>	<b>425.88</b>
<b>Amortisation</b>		
Balance as at beginning of the year	339.65	310.81
Amortisation for the year	88.76	28.84
Deductions	-	-
Adjustments	-	-
<b>Balance as at end of the year</b>	<b>428.41</b>	<b>339.65</b>
<b>Net carrying amount as at end of the year</b>	<b>177.84</b>	<b>86.23</b>

## Note 5(a): Equity accounted investment

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	<b>Investment in associate</b>	
Unquoted investment in equity share at carrying value 512,500 (31 <sup>st</sup> March 2022: 512,500) ordinary shares of USD 1 each fully paid up of Zuari Yoma Agri Solutions Limited	289.43	278.52
Share of profit/(loss) in associate	50.52	61.12
Effect of foreign currency translation reserve	(24.66)	(50.21)
<b>Net investment in associate</b>	<b>315.29</b>	<b>289.43</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 5(b): Investments

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of units	Amount	No. of units	Amount
<b>Mutual fund investments at fair value through profit or loss (unquoted)</b>				
Aditya Birla Money Manager Fund-direct	-	-	3,181,226.54	9,509.02
Axis Money Market Fund - Direct Plan	-	-	781,880.89	9,005.59
Nippon India Money Market Fund - Direct Growth Plan Growth Option	-	-	403,202.90	13,509.57
HDFC Mutual Fund - Money Market -Direct Growth	-	-	107,466.46	5,002.35
Kotak Mutual Fund - Money Market Fund	-	-	234,859.14	8,503.57
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	3,097,497.25	9,506.04
<b>Total investments</b>		-		<b>55,036.14</b>

## Note 6: Other Non Current Assets and Current Assets

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
Capital advances				
Related parties (refer Note 33)	1,124.19	-	112,656.46	-
Others	3,754.15	-	4,798.38	-
Advance to vendors:				
Related parties (refer Note 33)	-	150.53	-	1.34
Others	-	2,850.22	-	2,636.66
Less: Loss allowance	-	(32.00)	-	(32.00)
Claims receivable	218.28	2,902.37	218.28	1,620.11
Less: Loss allowance	(218.28)	-	(218.28)	-
Balance with statutory / government authorities	-	52,482.32	-	36,682.67
Prepaid expenses	7.16	2,218.14	64.40	1,423.94
Sales tax & entry tax deposits	8.01	3,050.98	8.01	2,596.52
Less: Loss allowance	(8.01)	-	(8.01)	-
Other deposits				
Related parties (refer Note 33)	89.32	-	42.00	-
Others*	925.22	425.80	715.29	151.15
<b>Total other assets</b>	<b>5,900.04</b>	<b>64,048.36</b>	<b>118,276.53</b>	<b>45,080.39</b>

\* Includes primarily deposits with vendors, service providers etc.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 7: Inventories

(Valued at the lower of cost and net realisable value)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw materials	105,702.78	137,959.00
Finished goods	80,537.48	24,941.42
Traded goods	2,708.37	35,650.63
Intermediates (work in progress)	9,373.92	10,991.95
Stores, spare parts, chemical and fuel oil	11,595.81	5,604.36
Packing materials	647.67	990.96
By-Products	13,201.69	13,183.92
<b>Total inventories</b>	<b>223,767.72</b>	<b>229,322.24</b>

### Note:

- Inventories are pledged against the borrowings as further explained in Note 14(a) and 14(c).
- The cost of inventories recognised as expense includes ₹2,721.52 (31<sup>st</sup> March 2022: Nil) in respect of write down of inventories to net realisable value.
- Inventories includes inventories in transit as at the balance sheet date as under:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw materials	44,355.69	69,359.06
Finished goods	22,698.02	7,630.77
Traded goods	-	34,984.38
Stores and spare parts	1,719.00	1,000.67
<b>Total inventories in transit</b>	<b>68,772.71</b>	<b>112,974.88</b>

## Note 8: Trade receivables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade receivables considered good - secured	4,922.03	105.28
Trade receivables - unsecured*	354,630.88	92,154.68
From related parties (refer Note 33)		
Trade receivables considered good - unsecured	15,171.71	2,502.61
<b>Total trade receivables</b>	<b>374,724.62</b>	<b>94,762.57</b>
Less: Loss allowance	(5,750.87)	(4,515.03)
<b>Net trade receivables (refer note 'a' below)</b>	<b>368,973.75</b>	<b>90,247.54</b>

Trade receivables are carried at amortised cost which are a reasonable approximation of their fair value.

### \* Trade receivables - unsecured

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade receivable considered good	351,178.01	89,750.76
Trade receivables - which have significant increase in credit risk	3,452.87	2,403.92
<b>Total trade receivables unsecured</b>	<b>354,630.88</b>	<b>92,154.68</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- Includes subsidy receivable from the Government of India amounting to ₹ 306,937.59 (31<sup>st</sup> March 2022: ₹ 87,555.69)
- Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 14(a) and 14(c).
- Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35.

### Trade Receivable ageing schedule:

As at 31<sup>st</sup> March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables - considered good	293,117.22	59,231.82	1,596.19	2,401.62	1,527.54	8,037.84	365,912.23
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	5,359.52	5,359.52
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	902.72	165.43	2,384.72	3,452.87
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Gross trade receivable							374,724.62

As at 31<sup>st</sup> March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables - considered good	71,558.30	8,666.24	254.46	1,376.02	688.82	4,455.29	86,999.13
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	5,359.52	5,359.52
(v) Disputed Trade receivables - which have significant increase in credit risk	-	484.74	-	244.22	145.43	1,529.53	2,403.92
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Gross trade receivable							94,762.57



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 9(a): Cash and cash equivalents

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Balances with banks		
- On current accounts	23.46	26.23
- On cash credit accounts	4,279.76	3,583.16
- Deposit with original maturity of less than three months	-	50,174.52
Cash on hand	0.20	0.19
<b>Total cash and cash equivalents</b>	<b>4,303.42</b>	<b>53,784.10</b>

## Note 9(b): Bank balances other than above

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
- Deposits with banks with original maturity of more than three months and less than twelve months*	6,681.98	5,987.37
<b>Total bank balances other than above</b>	<b>6,681.98</b>	<b>5,987.37</b>

Bank balances other than above are carried at amortised cost which are a reasonable approximation of their fair value.

\*Pledged with Executive Engineer, Mahanadi South Division as security deposit ₹185.55 (31<sup>st</sup> March 2022: ₹343.89), against bank guarantee issued in favour of Regional Director, ESI Corporation, bhubaneswar ₹5.51 (31<sup>st</sup> March 2022: ₹ 5.00), against bank guarantee issued in favour of East Coast Railway : nil (31<sup>st</sup> March 2022: ₹291.16), cash margin fixed deposit issued against usance LC for supply of imported raw materials, capex and repayment of long term loan: ₹ 6,490.92 (31<sup>st</sup> March 2022: ₹5,347.32)

## Note 10: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Derivative instruments at fair value through profit or loss</b>				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	-	453.37
<b>Other financial asset at amortised cost*</b>				
Claims receivable:				
Related parties (refer Note 33)	-	32,556.51	-	32,583.56
Others	209.79	31.40	209.79	449.24
Less: Loss allowance	(209.79)	-	(209.79)	-
Interest receivable on deposits, receivables, etc:				
Related parties (refer Note 33)	-	55.63	-	-
Others	-	71.05	-	31.34
Receivables from Gas pool operator	-	961.03	-	-
Other receivable				
Related parties (refer Note 33)	-	42.65	-	326.85
<b>Total other financial assets</b>	<b>-</b>	<b>33,718.27</b>	<b>-</b>	<b>33,844.36</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 11: Assets classified as held for sale

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Discarded property, plant and equipment	23.26	23.96
<b>Total assets classified as held for sale</b>	<b>23.26</b>	<b>23.96</b>

Assets held for sale represent property, plant and equipment discarded. The Company expects to dispose it off in next one year.

## Note 12: Equity share capital

### (a) Details of authorised, issued, subscribed and fully paid up share capital:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Authorised share capital</b>		
900,000,000 (31 <sup>st</sup> March 2022: 900,000,000) equity shares of ₹ 10 each (31 <sup>st</sup> March 2022: ₹ 10 each)	90,000.00	90,000.00
10,000,000 (31 <sup>st</sup> March 2022: 10,000,000) 7% Non cumulative Redeemable preference shares of ₹ 100/- each (31 <sup>st</sup> March 2022: ₹100 each)	10,000.00	10,000.00
<b>Total authorised share capital</b>	<b>100,000.00</b>	<b>100,000.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
814,497,619 (31 <sup>st</sup> March 2022: 575,450,000) equity shares of ₹ 10 (31 <sup>st</sup> March 2022: ₹10) each fully paid	81,449.76	57,545.00
<b>Total equity share capital</b>	<b>81,449.76</b>	<b>57,545.00</b>

### (b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
Balance at the beginning of the year	57,54,50,000	57,545.00	57,54,500	57,545.00
Changes during the year	23,90,47,619	23,904.76	56,96,95,500	-
Balance at the end of the year	81,44,97,619	81,449.76	57,54,50,000	57,545.00

### (c) Terms/ rights attached to equity shares:

- 1) The Company has only one class of equity share having par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.
- 2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the respective shareholders.

### (d) Shares held by holding company are as below:

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
<b>Name of shareholder</b>				
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as Zuari Maroc Phosphates Limited (ZMPL))	45,69,42,507	45,694.25	46,29,61,000	46,296.10



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (e) Details of equity shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.10%	46,29,61,000	80.45%
President of India - Government of India (GOI)	-	-	11,24,89,000	19.55%
SBI Multicap Fund	4,76,68,663	5.85%		

(f) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(g) As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

## (h) Stock option schemes

Information relating to Employee Stock Option Plan, including details of options granted and lapsed during the financial year and options outstanding at the end of the reporting period is set out in Note 42(a).

## (i) Details of shareholding of promoters:

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.10%	46,29,61,000	80.45%
President of India - Government of India (GOI)	-	-	11,24,89,000	19.55%

# There is a reduction of 24.35% of shareholdings by the promoters during the year (no change in 2021-22).

## Note 13: Other equity

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Retained earnings	195,469.07	165,019.19
- Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/ loss of defined benefit plans.		
Securities premium	73,404.20	-
- Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.		
Share option outstanding reserve	197.83	-
- This reserve relates to stock options granted by the Company to eligible employees under PPL Employees Stock Option Plan 2021 ("ESOP 2021"). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.		
Foreign currency translation reserve (FCTR)	(50.63)	(64.45)
- Exchange differences on translating the financial statements of foreign operations		
<b>Total other equity</b>	<b>269,020.47</b>	<b>164,954.74</b>

Refer consolidated statement of changes in equity for movement in retained earnings during the years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Proposed dividend on equity shares not recognised as liability \*

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Proposed final dividend	4,072.49	-

The Board of Directors has recommended a dividend of 5% i.e. ₹0.50 per equity share of ₹10 each fully paid up.

\* Proposed dividend on equity shares is subject to approval of shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

## Note 14(a): Non-Current Borrowings

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current Maturities	Non-current	Current Maturities
<b>Secured</b>				
Rupee term loan from banks	61,188.79	35,893.02	52,817.08	16,769.79
Amount of current maturities disclosed under the head "current borrowings" (refer note 14(c))	-	(35,893.02)	-	(16,769.79)
<b>Total non-current borrowings</b>	<b>61,188.79</b>	<b>-</b>	<b>52,817.08</b>	<b>-</b>

Non-Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

## Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets.	Repayable in 20 quarterly instalments commenced from 31 <sup>st</sup> December 2018, of which first 8 quarterly instalments are of ₹ 500.00, next 4 quarterly instalments of ₹ 1000.00 and remaining 8 quarterly instalments of ₹ 1500.00	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.00% 8.35%
Rupee term loan from- Bank of India	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets.	Repayable in 16 quarterly instalments of ₹ 1337.50 commencing from 30 <sup>th</sup> September 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	7.75% 7.55%
Rupee term loan from Axis Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 7 quarterly instalments of ₹ 2698.00 commencing from 4 <sup>th</sup> April 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.30% -
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 16 quarterly instalments of ₹ 937.50 commencing from 31 <sup>st</sup> March 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	10.35% 8.20%



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of movable properties	Repayable in 10 quarterly instalments of ₹ 1500.00 commencing from 31 <sup>st</sup> March 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.75% 7.25%
Rupee term loan from- SBI	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 850.00 commencing from 1 <sup>st</sup> October 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.85% 9.00%
Rupee term loan from- HDFC	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 650.00 commencing from 1 September 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.00% -
Rupee term loan from- Indian Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 325.00 commencing from 1 <sup>st</sup> December 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.85% -
Rupee term loan from- Canara Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 1640.00 commencing from 1 <sup>st</sup> January 2025.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.90% -

## Note 14(b): Lease Liabilities

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
Lease Liabilities*	1,603.78	77.32	-	-
<b>Total non-current borrowings</b>	<b>1,603.78</b>	<b>77.32</b>	-	-

\* Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 <sup>st</sup> March 2023
<b>Opening</b>	-
<b>Adjustments-on account of business acquisition (refer Note 44)</b>	1,444.10
Additions	285.79
<b>Accretion of interest</b>	98.16
Payments	(146.95)
<b>Closing</b>	<b>1,681.10</b>

The effective interest rate for lease liabilities is 7.43%, with maturity between 2022-2048.

## Maturity profile of lease liability

Ageing	Total rent payments	Interest payment	Net Amount
Less than 1 year	199.60	122.28	<b>77.32</b>
1-3 years	622.43	327.41	<b>295.02</b>
3-5 years	431.75	176.80	<b>254.95</b>
> 5 years	1,838.07	784.26	<b>1,053.81</b>
<b>Total</b>	<b>3,091.85</b>	<b>1,410.75</b>	<b>1,681.10</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 14(c): Current Borrowings

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>From banks:</b>		
<b><u>Secured</u></b>		
<b>Loans repayable on demand</b>		
Cash credit	-	16.64
<b>Other loans</b>		
Working capital demand loan	80,016.30	-
Buyer's credit	124,943.60	132,502.88
Supplier's credit	133,900.61	67,323.18
Local bills discounted with bank	19,981.32	-
Other loans from bank	6,250.00	25,000.00
Current maturity of non-current borrowings	35,893.02	16,769.79
<b><u>Unsecured</u></b>		
Other loans from bank	936.68	1,000.00
<b>Total current borrowings</b>	<b>401,921.53</b>	<b>242,612.49</b>

Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

### Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period	Principal Amount	Effective interest rate
Cash credit (secured)	First charge by way of hypothecation on all current assets and second charge on all immovable & movable properties of the Company (other than certain current assets hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis.	Repayable on demand	31 <sup>st</sup> March 2023	-	8.85%
			31 <sup>st</sup> March 2022	16.64	8.15%
Working capital demand loan (WCDL) (secured)		Repayable over a period of 11 to 91 days	31 <sup>st</sup> March 2023	80,016.30	8.24%
			31 <sup>st</sup> March 2022	-	-
Supplier's credit(secured)/ buyer's credit (secured)		Repayable over a period of 7 to 180 days	31 <sup>st</sup> March 2023	258,844.21	6 month LIBOR/SOFR plus 0.25% to 0.75%
			31 <sup>st</sup> March 2022	199,826.06	6 month LIBOR /SOFR plus 0.10% to 0.75%
Local Bills discounted with bank (secured)		Repayable over a period of 91 to 180 days	31 <sup>st</sup> March 2023	19,981.32	8.23%
			31 <sup>st</sup> March 2022	-	-
Others loans (secured)	The loan is secured against 100% fixed deposit	Repayable over a period of 90 to 180 days	31 <sup>st</sup> March 2023	6,250.00	7.35%
			31 <sup>st</sup> March 2022	25,000.00	4.70%
Others Loans (unsecured)	Unsecured	Repayable on demand	31 <sup>st</sup> March 2023	936.68	7.51%
			31 <sup>st</sup> March 2022	1,000.00	7.51%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### Details of securities as reported in the books vis-à-vis quarterly return:

Particulars of securities	Name of the bank	Quarter	Amount as per books of accounts	Amount as reported in the qtrly return	Amount of difference	Reason of material difference
Inventory	State Bank of India	Jun-22	172,363.84	177,322.02	(4,958.17)	Difference in inventory on account of provisional valuation and non consideration of certain items of stores and spares, Difference in receivables and other assets is on account of setoff/ reclassification of current asset and current liability.
Receivables			268,278.21	268,203.00	75.21	
Other Current Assets			52,426.04	60,530.03	(8,103.99)	
<b>Total</b>			<b>493,068.09</b>	<b>506,055.05</b>	<b>(12,986.95)</b>	
Inventory	State Bank of India	Sep-22	265,742.23	270,524.02	(4,781.79)	Difference in receivables and other assets is on account of setoff/ reclassification of current asset and current liability.
Receivables			310,969.30	317,776.46	(6,807.16)	
Other Current Assets			52,610.33	37,241.41	15,368.92	
<b>Total</b>			<b>629,321.86</b>	<b>625,541.89</b>	<b>3,779.97</b>	
Inventory	State Bank of India	Dec-22	264,794.51	265,871.95	(1,077.44)	Difference in receivables and other assets is on account of setoff/ reclassification of current asset and current liability.
Receivables			378,190.83	379,014.19	(823.36)	
Other Current Assets			51,494.68	44,632.34	6,862.34	
<b>Total</b>			<b>694,480.02</b>	<b>689,518.47</b>	<b>4,961.55</b>	

### Note 15: Other financial liabilities

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Derivatives not designated as hedges</b>				
Foreign-exchange forward contracts	-	1,628.93	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	-	1,628.93	-	-
<b>Other financial liabilities at amortised cost*</b>				
Earnest money/Security deposits				
Others	-	12,804.58	-	3,166.26
Employee related dues	180.42	3,886.71	286.71	2,558.41
Creditors for property, plant and equipments (including retention money from contractors/suppliers)				
Related Parties (refer Note 33)	-	-	-	42.53
Others	-	1,764.38	-	1,740.65
Interest accrued but not due on borrowings	-	2,483.62	-	258.91
Payable against business acquisition (refer Note 33)	-	1,434.89		
<b>Total other financial liabilities at amortised cost</b>	<b>180.42</b>	<b>22,374.18</b>	<b>286.71</b>	<b>7,766.76</b>
<b>Total other financial liabilities</b>	<b>180.42</b>	<b>24,003.11</b>	<b>286.71</b>	<b>7,766.76</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 16: Provisions

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Provision for employee benefits* (refer Note 32)</b>				
Post retirement medical benefits	143.29	11.15	154.91	11.12
Gratuity	465.99	72.09	1,548.14	222.91
Leave salary	-	5,269.33	-	3,832.40
<b>Other provisions (refer Note 'a' below)</b>				
Contractors	1,769.93	-	951.78	-
Others				
- Capital expenditure	-	250.18	-	250.18
- Others	-	3,397.81	-	3,207.96
<b>Total provisions</b>	<b>2,379.21</b>	<b>9,000.56</b>	<b>2,654.83</b>	<b>7,524.57</b>

\* The classification of current/non current for provision for employee benefits has been determined by the actuary of the Company, based upon estimated amount of cash outflow during the next 12 months from the balance sheet date.

### Note a: The movement for "Other provisions" during the year is as follows:

Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset"

#### Capital expenditure

	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Capital Expenditure **	Contractors	Others **	Capital Expenditure **	Contractors	Others **
Opening balance	250.18	951.78	3,207.96	250.18	595.87	3,023.88
Adjustment on account of business acquisition (refer note 44)	-	829.24	-	-	-	-
Provision made during the year	-	(11.09)	189.85	-	355.91	184.08
<b>Closing balance**</b>	<b>250.18</b>	<b>1,769.93</b>	<b>3,397.81</b>	<b>250.18</b>	<b>951.78</b>	<b>3,207.96</b>

\*\* Closing balance includes the following provisions

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Capital Expenditure **	Others **	Capital Expenditure **	Others **
Ground rent (refer note i below)	-	2,876.70	-	2,693.56
Land compensation (including interest) (refer note ii below)	250.18	-	250.18	-
Employees' state insurance (refer note iii below)	-	227.67	-	220.96
Provision for others (freight claims)	-	293.44	-	293.44
	<b>250.18</b>	<b>3,397.81</b>	<b>250.18</b>	<b>3,207.96</b>

i. The Land Policy of Port land has been revised as per the Land Policy Guidelines issued by the Ministry of Shipping, Government of India. Pursuant to the said policy and pending outcome of negotiation with Paradeep Port Trust, the Company has made provision towards ground rent, interest and taxes amounting to ₹ 2,876.70 (31<sup>st</sup> March 2022: ₹ 2,693.56) against the demand raised by Paradeep Port Trust.

ii. In terms of meeting for amicable settlement of dispute the additional compensation to the land losers, under the chairmanship of the Collector and District Magistrate, Jagatsinghpur, it was decided to pay additional compensation at the rate fixed to the claimants through the Special Land Acquisition Officer (Spl. LAO), Government of Odisha. Since the disbursement process to land losers had started in the financial year 2010-11 through Spl. LAO, the Company had accounted for total estimated liability of ₹ 566.01 (including interest of ₹ 418.01) during the financial year 2010-11. The outstanding liability as on 31<sup>st</sup> March 2023 stands at ₹ 250.18 (31<sup>st</sup> March 2022: ₹ 250.18) after making payment to Spl. LAO.





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- iii. Employees' State Insurance Corporation (ESIC) raised various demands against the Company in respect of both contract labourers and employees in earlier years, which were contested by the Company in various Courts and Authorities. The Company is continuing with the provision existing in the books as on 31<sup>st</sup> March 2023 as ₹ 227.67 (31<sup>st</sup> March 2022: ₹ 220.96)

### Note 17: Income Tax

#### A. Amount recognised in the profit or loss

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current tax expense:</b>		
Current year	9,629.93	13,721.45
Income Tax for earlier year	333.15	-
<b>Deferred tax charge / (credit):</b>		
Relating to origination and reversal of temporary differences	2,234.64	(67.54)
<b>Total tax expense</b>	<b>12,197.72</b>	<b>13,653.91</b>

#### B. Amount recognised in the Other Comprehensive Income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Deferred tax charge / (credit) to remeasurement of defined benefit liability	23.23	(15.58)

#### C. Reconciliation of effective tax rate

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Profit before income tax from continuing operations	<b>42,616.98</b>	<b>53,499.23</b>
Less: Share of profit from associate	50.52	61.12
Profit before income tax	42,566.46	53,438.11
At India's statutory income tax rate of 25.168%	10,713.13	13,449.30
<b>Tax effects of amount which are not deductible / (taxable) in calculating taxable income -</b>		
CSR expenditure	189.85	142.40
Interest on income tax under Section 220(2) of IT Act 1961	-	(70.63)
Interest under Section 234B/234C	29.56	121.94
Impact of WDV due to reassessment of carrying value of assets	141.97	-
On stamp duty	772.63	-
Others	17.43	10.90
<b>Effective tax charge</b>	<b>11,864.57</b>	<b>13,653.91</b>
Add: Tax impact for earlier years	333.15	-
<b>Tax expenses as per the Statement of Profit and Loss</b>	<b>12,197.72</b>	<b>13,653.91</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## D. Movement in Deferred tax balances

	Balance as at 1 <sup>st</sup> April 2022	Recognised in profit or loss	Recognised in OCI	On account of business acquisition	Balance as at 31 <sup>st</sup> March 2023
<b>Deferred tax liabilities</b>					
Property, plant and equipment (including intangible assets)	14,110.91	2,120.72	-	-	16,231.63
On account of statutory dues	641.47	8.87	-	-	650.34
<b>Total deferred income tax liabilities</b>	<b>14,752.38</b>	<b>2,129.59</b>	<b>-</b>	<b>-</b>	<b>16,881.97</b>
<b>Deferred tax assets</b>					
Effect of loss allowance	1,254.25	231.04	-	80.02	1,565.31
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,602.07	(382.22)	(23.23)	617.94	3,814.56
Provision for other liabilities	677.95	46.13	-	-	724.08
<b>Total deferred income tax assets</b>	<b>5,534.27</b>	<b>(105.05)</b>	<b>(23.23)</b>	<b>697.96</b>	<b>6,103.95</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>9,218.11</b>	<b>2,234.64</b>	<b>23.23</b>	<b>(697.96)</b>	<b>10,778.02</b>

	Balance as at 1 <sup>st</sup> April 2021	Recognised in profit or loss	Recognised in OCI	Balance as at 31 <sup>st</sup> March 2022
<b>Deferred tax liabilities</b>				
Property, plant and equipment (including intangible assets)	13,933.52	177.39	-	14,110.91
On account of statutory dues	641.47	-	-	641.47
<b>Total deferred income tax liabilities</b>	<b>14,574.99</b>	<b>177.39</b>	<b>-</b>	<b>14,752.38</b>
<b>Deferred tax assets</b>				
Effect of loss allowance	993.48	260.77	-	1,254.25
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,646.95	(60.46)	15.58	3,602.07
Provision for other liabilities	633.33	44.62	-	677.95
MAT credit entitlement	-	-	-	-
<b>Total deferred income tax assets</b>	<b>5,273.76</b>	<b>244.93</b>	<b>15.58</b>	<b>5,534.27</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>9,301.23</b>	<b>(67.54)</b>	<b>(15.58)</b>	<b>9,218.11</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### Note 18: Trade payables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Total outstanding dues of micro enterprises and small enterprises	667.47	818.76
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer Note 33)	76,914.70	110,304.81
- Others	113,665.50	116,216.30
	<b>191,247.67</b>	<b>227,339.87</b>

Trade payables are carried at amortised cost which are a reasonable approximation of their fair value.

Trade payables include acceptances from related parties and others amounting to ₹73,453.96 and ₹71,306.69 (31<sup>st</sup> March 2022: ₹ 54,286.38 and ₹ 98,883.61) respectively.

#### Note:

Trade payables and acceptances are non-interest bearing and are normally settled on 30 to 180 day terms.

The amount due to Micro and small enterprises as defined under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such suppliers have been identified on the basis of information available with the Company. The details are as under:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
(i) the principal amount remaining unpaid at the end of financial year	667.47	818.76
interest due thereon remaining unpaid to any supplier as at the end of financial year	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of the year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Trade payable ageing schedule

As at 31<sup>st</sup> March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
		(i) MSME	-	667.47	-	
(ii) Others	4,273.43	168,499.93	1,572.19	196.01	701.74	175,243.30
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	15,336.90	-	-	-	-	15,336.90
<b>Total</b>	<b>19,610.34</b>	<b>169,167.40</b>	<b>1,572.19</b>	<b>196.01</b>	<b>701.74</b>	<b>191,247.67</b>

As at 31<sup>st</sup> March 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
		(i) MSME	-	818.76	-	
(ii) Others	-	215,534.97	535.56	766.19	508.89	217,345.61
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	9,175.50	-	-	-	-	9,175.50
<b>Total</b>	<b>9,175.50</b>	<b>216,353.73</b>	<b>535.56</b>	<b>766.19</b>	<b>508.89</b>	<b>227,339.87</b>

## Note 19: Other current liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Rebate liabilities	2,455.00	2,401.01
Interest on statutory dues	89.13	482.66
Statutory dues	7,891.53	10,733.91
Advance from customers	1,118.84	1,283.27
	<b>11,554.50</b>	<b>14,900.85</b>

## Note 20: Revenue from operations

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Sale of products	476,987.91	387,574.95
Subsidy from the Government of India on fertilizers (refer note (c) below)	856,302.14	397,722.70
Other operating revenues - Export incentive	-	49.27
- Scrap sales	782.14	525.00
<b>Revenue from operations *</b>	<b>1,334,072.19</b>	<b>785,871.92</b>

\* Revenue is net of rebates, discounts and goods and service tax.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### (a) Reconciliation of revenue recognised with contract price:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Contract price	1,345,229.04	799,001.12
Adjustment for:		
Variable considerations - rebates	(11,156.85)	(13,129.20)
<b>Revenue from operations</b>	<b>1,334,072.19</b>	<b>785,871.92</b>

### (b) Contract balances

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Contract assets - trade receivables	368,973.75	90,247.54
Contract liabilities - advance from customers	1,118.84	1,283.27

The contract liabilities convert to revenue within one year from the reporting date.

### (c) Subsidy from Government of India on fertilizers:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
On finished goods [including freight subsidy ₹ 30,624.72 (31 <sup>st</sup> March 2022: ₹ 17,659.97)]	827,811.98	355,622.91
On traded goods [including freight subsidy ₹ 1,070.68 (31 <sup>st</sup> March 2022: ₹ 1,949.19)]	28,490.16	42,099.79
	<b>856,302.14</b>	<b>397,722.70</b>

### Note 21: Other income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest income on:		
Bank deposits*	625.39	268.09
Income tax refund	39.02	-
Others*	361.11	31.90
Rent income	304.13	276.23
Loss allowance written back	474.91	758.42
Excess provision/unclaimed balances written back	6,408.08	969.05
Profit on sale of current investments	93.36	635.85
Gain on fair valuation of investments measured at fair value through profit or loss	-	38.13
Miscellaneous income	801.00	949.32
	<b>9,107.00</b>	<b>3,926.99</b>

\* Interest income calculated using effective interest method in relation to financial assets carried at amortised cost.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 22: Cost of raw materials consumed

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Inventory at the beginning of the year	137,959.00	37,928.44
Add: Purchases	1,062,105.55	623,200.05
Add: Adjustment on account of business acquisition (refer note 44)	3,209.19	-
Less: Inventory at the end of the year	(140,981.86)	(137,959.00)
Less: Traded goods transferred from raw materials	(19,207.63)	(1,631.45)
Add: Traded goods transferred to raw materials	885.27	3,084.25
<b>Cost of raw materials consumed</b>	<b>1,043,969.52</b>	<b>524,622.29</b>

## Note 23: Changes in inventories of finished goods, stock-in-trade and work in progress

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Opening stock</b>		
- Finished goods	24,941.42	13,520.24
- Intermediates (work in progress)	10,991.95	7,158.97
- By-Products	13,183.92	13,138.07
- Traded goods (stock in trade)	35,650.63	13,079.27
<b>Total (A)</b>	<b>84,767.92</b>	<b>46,896.55</b>
<b>Add:- Adjustment on account of business acquisition (refer note 44)</b>		
- Finished goods	1,742.67	-
- Intermediates (work in progress)	45.39	-
- Traded goods (stock in trade)	65.39	-
<b>Total (B)</b>	<b>1,853.45</b>	<b>-</b>
<b>Less: Closing stock</b>		
- Finished goods	80,537.48	24,941.42
- Intermediates (work in progress)	9,373.92	10,991.95
- By-Products	13,201.69	13,183.92
- Traded goods (stock in trade)	2,708.37	35,650.63
<b>Total (C)</b>	<b>105,821.46</b>	<b>84,767.92</b>
Traded goods transferred from raw materials	(19,207.63)	(1,631.45)
Traded goods transferred to raw materials	885.27	3,084.25
<b>Total (D)</b>	<b>(18,322.36)</b>	<b>1,452.80</b>
<b>(Increase)/ decrease in inventories of finished goods, stock-in trade and work-in-progress (A+B-C-D)</b>	<b>(877.73)</b>	<b>(39,324.17)</b>

## Note 24: Employee benefits expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Salaries, wages and bonus	17,091.03	11,166.86
Contribution to provident and other funds (refer Note 32)	1,256.38	900.75
Gratuity (refer Note 32)	405.20	327.06
Staff welfare expenses	2,369.81	1,455.77
Share based payments (equity settled)	197.83	-
<b>Total employee benefits expense</b>	<b>21,320.25</b>	<b>13,850.44</b>

The Code of Social Security, 2020 ("the Code") relating to employee 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 25: Finance costs

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest expense on liabilities measured at amortised cost*	19,749.45	1,831.73
Exchange differences to the extent considered as an adjustment to borrowing costs	5,260.88	3,836.98
Bank charges	3,972.26	2,402.77
Interest on income tax	141.66	482.66
<b>Total finance costs</b>	<b>29,124.25</b>	<b>8,554.14</b>

\* Net of amount included in the cost of qualifying assets.

## Note 26: Depreciation and amortisation expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Depreciation of property, plant and equipment (refer Note 4(a))	17,310.39	9,016.44
Amortisation of intangible assets (refer Note 4(d))	88.76	28.84
Amortisation of right of use assets (refer Note 4(a) and 4(c))	116.16	0.44
<b>Total depreciation and amortisation expense</b>	<b>17,515.31</b>	<b>9,045.72</b>

## Note 27: Other expenses

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Consumption of stores and spare parts	4,996.20	3,497.88
Consumption of packing materials	8,989.11	5,304.42
Chemical consumed	3,111.29	2,365.54
Catalysts consumed	525.15	471.75
Payment to contractors for bagging and other services	6,165.52	4,654.62
Power and fuel	62,609.91	7,016.15
Water charges	1,425.18	696.92
Rent [refer note (ii) below]	1,234.38	261.34
Rates and taxes	3,155.89	102.53
Insurance	2,106.21	1,385.93
Repairs and maintenance:	-	-
Plant and machinery	4,872.59	2,710.27
Buildings	659.02	718.02
Others	856.92	691.22
Selling and distribution expenses:	-	-
Freight and handling	48,100.77	30,116.85
Warehouse rent	562.32	333.51
Commission	570.36	811.22
Publicity and sales promotion expenses	1,060.03	780.52
Other selling expenses	391.44	525.21
Travelling and conveyance expenses	959.63	428.46
Professional, consultancy and legal expenses	815.19	462.74
Corporate social responsibility expenditure	754.32	565.77
Donation	0.75	-
Payment to statutory auditors [refer note (i) below]	142.83	89.26
Exchange differences (net)	8,579.42	5,389.41

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Bad debts, claims and advances written off, net of provision of ₹ 56.55 (31 <sup>st</sup> March 2022: ₹ 301.34)	68.73	10.23
Loss allowance	1,239.90	2,095.78
Loss on sale/discard of property, plant and equipment (net)	1,511.90	1,289.42
Miscellaneous expenses	5,870.05	4,009.23
<b>Total other expenses</b>	<b>171,335.01</b>	<b>76,784.20</b>

## (i) Auditors' remuneration

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
As auditors		
- Statutory audit	55.00	22.00
- Tax audit	8.00	3.00
- Other services	72.62	55.00
Reimbursement of expenses	7.21	9.26
	<b>142.83</b>	<b>89.26</b>

## (ii) Leases

### Short-term leases

The Company leases office which are considered to be short-term leases as the agreement is for the period of 12 months and below.

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Expenses relating to short-term leases	1,234.38	261.34
Total cash outflow for leases	1,234.38	261.34

Lease payments for short-term leases not included in the measurement of the lease liability and are classified as cash flows from operating activities.

## Note 28: Earnings per share

### A. Basic and diluted earnings per share

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(i) Profit for the year, attributable to the equity holders of the Company	30,419.26	39,845.32
(ii) Weighted average number of equity shares - Nominal value of shares at ₹10 each ^		
Basic	77,97,86,595	57,54,50,000
Diluted	78,01,38,968	57,54,50,000
(iii) Earnings per share (Basic) [(i)/ (ii)]	3.90	6.91
(Diluted) [(i)/ (ii)]	3.90	6.91

^ The calculation of basic and diluted weighted average number of shares include impact of shares issued during the year by way of the initial public offer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 29: Contingent liabilities (to the extent not provided for)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Claims against company not acknowledged as debt</b>		
Subsidy withheld (refer Note (a) below)	5,352.12	5,352.12
Goods and services tax demand (refer Note (b) below)	182.72	1,999.90
Entry tax demand on imported raw materials including interest and penalty	2,909.39	2,909.39
Sales tax/VAT/CST demands (refer Note (c) below)	10,561.64	10,589.33
Central Excise demands for March 2011	234.14	236.91
Service tax demand (refer note (d) below)	88.80	134.59
Custom duty and countervailing duty (refer Note (e) below)	582.44	109.97
Income tax demands	284.33	428.71
Demand towards contribution to Water Conservation Fund	-	2,322.50
Demand under Goa green Cess Act 2013 (refer Note (f) below)	4,291.34	-
Others claims against the Company not acknowledged as debt (refer Note (g) below)	3,868.12	3,308.03

### a) Subsidy withheld

Department of Fertilizer, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to ₹ 5352.12, being the subsidy amount including freight subsidy. The amount has been withheld on the basis of samples collected by the Department from Mundra Port which were reported to be deficient on account of water soluble P2O5 content as per Fertilizer Control Order (FCO) but there was no deficiency as regards to the nutrient content. The Company has represented to the Department of Fertilizers to re-examine the case on the following grounds – (a) Failure is on account of water solubility and not on account of nutrient content. The nutrient content on which the Nutrient Based Subsidy is paid meets the FCO specifications (b) Water Solubility is more than 85% of the total P2O5 (c) All precautions were taken at the load port on having an international recognised inspection agency based on which the goods were shipped and dispatched and (d) The intimation on the original sample failure as well as the referee sample failure were received long after materials were dispatched well beyond the dispatch of the material to various destinations. Based on the revised notification from GOI dated 6<sup>th</sup> February 2017, water soluble P2O5 content of DAP is revised to 39.5% instead of 41%. DAP import for which the amount withheld has water soluble content of 39.53%. Further, vide Notification no 3-9/2008 Fert Law dated 18<sup>th</sup> November 2011 in which Triple Super Phosphate (TSP) with total P2O5 content of 46% and water soluble content of only 36.8% has been allowed to be imported and paid subsidy for 46% of P2O5. Based on above, the Company has made a representation that as per revised notification, water soluble content is as per norms and further permitting a product with same total P2O5 and less water soluble P2O5 as standard and declaring a product imported by the Company with 39.53% as non-standard is not fair. The Company is confident to receive a favorable outcome.

### b) Goods and service tax demand

Demand under GST Act in respect of erroneous refund of GST for the period July 2017 to January 2018 under inverted structure.

- Interest appropriation on Demand raised by CGST, Goa on account of GST refund on services under inverted duty structure from July 2017 to March 2018 towards financial year 2017-18.
- Penalty towards wrongful availment of Transitional credit.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## c) Sales tax/VAT/CST demands

Sales tax/VAT/CST demand includes the following:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
CST demand for the FY 2005-06 due to rejection of Branch transfers and export sales	10,420.51	10,420.51
VAT demand for the year 2005-06 in Bihar region on account of VAT assessment	37.69	37.69
CST demand for Telangana for non-submission of declaration forms	51.48	51.48
VAT demand for Odisha due to input tax credit mismatch	51.96	51.96
VAT demand for Maharashtra due to input tax credit mismatch	-	1.02
CST demand for Maharashtra for non-submission of declaration forms.	-	26.67
	<b>10,561.64</b>	<b>10,589.33</b>

## d) Service tax demands

Service tax demands include service tax on mediation fee Nil for 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 45.79). Further it also includes service tax demand on water charges paid to State Government for the period April 16 to June 17 of ₹ 88.80 for 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 88.80).

## e) Custom duty and countervailing duty

- Countervailing Duty (CVD) paid and refund claimed on MOP and Sulphuric Acid, BCD on discount received and Custom duty on demurrage.
- Rejection of transaction value with respect to its import of MOP from unrelated party
- Denial of concessional rate basic custom duty
- Penalty towards denial of concessional rate Counter veiling duty
- Demand for wrongful availment on exemption notification based on SEIS scrips

## f) Green Cess

Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas.

## g) Others claims against the Company not acknowledged as debt

It includes the following:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Penal interest on loan from Government of India, due to delay	344.43	344.43
Industrial dispute and miscellaneous labour cases pending at various forums at different stages of dispute.	493.99	480.11
Interest on water charges due to delay in payments	2,845.49	2,243.65
Others	184.21	239.84
	<b>3,868.12</b>	<b>3,308.03</b>

Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in the above mentioned cases and hence, no provision is considered necessary. The above has been compiled based on the information and records available with the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 30: Commitments

### Capital commitments

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	16,206.88	68,250.97

## Note 31: Segment reporting

### a. Basis of segmentation

The Company's business activity falls within a single primary Operating Segment "Fertilizers and Other Trading Materials", and thus no further disclosures are required in accordance with Indian Accounting Standard (Ind AS)– 10 "Operating Segment".

### b. Geographic information

The Company primarily operates in and therefore no geographical segment information has been provided herein.

## Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

### Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1976. The scheme is funded with Life insurance Corporation of India (LIC) in the form of qualifying insurance policy. The Company undertakes all the risk pertaining to the plan.

### Post Retirement medical benefit plan

The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company.

### Provident fund

The Company has set up provident fund trust wherein contributions are made and accordingly the same is considered as a defined benefit plan in accordance with Ind-AS 19, Employee Benefits, wherein provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. During the current year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by the Institute of Actuaries.

### A. Defined contribution plan:

The amount provided for defined contribution plans are follows:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Pension Scheme	203.07	135.93
Superannuation Fund	195.07	138.82
National Pension Scheme	148.69	87.48
<b>Total</b>	<b>546.83</b>	<b>362.23</b>

### B. Gratuity and other post-employment benefit plans:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Gratuity Plan - (Liability)	(538.08)	(1,771.05)
Post retirement medical benefits plan - (Liability)	(154.44)	(166.03)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## C. Other long term employee benefits:

The amount provided for during the year is as follows:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Leave encashment	718.01	(361.78)

## D. Reconciliation of the net defined benefit (asset)/ liability

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

### Gratuity plan:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
<b>Balance at the beginning of the year</b>	(5,500.19)	3,729.15	(1,771.05)	(5,577.83)	4,097.26	(1,480.57)
<b>Adjustment on account of business acquisition (refer Note 44)</b>	(1,401.08)	1,196.67	(204.41)	-	-	-
<b>Included in Profit or loss</b>						
Current service cost	(266.52)	-	(266.52)	(228.67)	-	(228.67)
Past service cost	-	-	-	-	-	-
Net interest expense/income	(479.47)	340.79	(138.68)	(370.66)	272.28	(98.39)
	<b>(745.99)</b>	<b>340.79</b>	<b>(405.20)</b>	<b>(599.33)</b>	<b>272.28</b>	<b>(327.06)</b>
<b>Included in OCI</b>						
Return on plan assets (excluding amounts included in net interest expense)	-	(23.93)	(23.93)	-	(25.84)	(25.84)
Actuarial loss (gain) arising from experience adjustment	77.07	-	77.07	(27.97)	-	(27.97)
Changes in financial assumptions	15.82	-	15.82	90.69	-	90.69
Changes in demographic assumptions	-	-	-	-	-	-
	<b>92.89</b>	<b>(23.93)</b>	<b>68.96</b>	<b>62.72</b>	<b>(25.84)</b>	<b>36.88</b>
<b>Others</b>						
Benefits paid	838.46	(838.46)	-	614.55	(614.55)	-
Contributions paid by employer	-	1,771.00	1,771.00	-	-	-
Other adjustments	2.62	-	2.62	(0.30)	-	(0.30)
<b>Balance at the end of the year</b>	<b>(6,713.30)</b>	<b>6,175.21</b>	<b>(538.08)</b>	<b>(5,500.19)</b>	<b>3,729.15</b>	<b>(1,771.05)</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Post retirement medical benefits plan:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
<b>Balance at the beginning of the year</b>	(166.03)	-	(166.03)	(63.05)	-	(63.05)
<b>Included in Profit or loss</b>						
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Net interest expense/income	(11.78)	-	(11.78)	(4.18)	-	(4.18)
	<b>(11.78)</b>	<b>-</b>	<b>(11.78)</b>	<b>(4.18)</b>	<b>-</b>	<b>(4.18)</b>
<b>Included in OCI</b>						
Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-	-	-
Actuarial loss (gain) arising from experience adjustment	18.99	-	18.99	(101.55)	-	(101.55)
Changes in financial assumptions	4.38	-	4.38	6.30	-	6.30
Changes in demographic assumptions	-	-	-	(3.55)	-	(3.55)
	<b>23.37</b>	<b>-</b>	<b>23.37</b>	<b>(98.80)</b>	<b>-</b>	<b>(98.80)</b>
<b>Balance at the end of the year</b>	<b>(154.44)</b>	<b>-</b>	<b>(154.44)</b>	<b>(166.03)</b>	<b>-</b>	<b>(166.03)</b>

## E. Investment pattern in plan assets:

Particulars	As at	As at
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
	Gratuity Fund	Gratuity Fund
Investment with insurers	100.00%	100.00%

## F. Economic assumptions

Particulars	As at	As at
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
	%	%
<b>Discount rate:</b>		
Gratuity plan	7.45%	7.10%
Post retirement medical benefits	7.45%	7.10%
<b>Future salary increase:</b>		
Gratuity plan	8% for first two years and 6.50% thereafter	8% for first two years and 6.50% thereafter

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## G. Sensitivity analysis

### Gratuity plan:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Provident Fund	Gratuity Fund	Provident Fund
<b>Assumption: Discount rate</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(369.70)	417.46	(297.02)	332.61
<b>Assumption: Future salary increase</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	311.20	438.32	246.39	(253.94)

### Post retirement medical benefits plan:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Provident Fund	Gratuity Fund	Provident Fund
<b>Assumption: Discount rate</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(11.45)	13.07	(13.01)	14.94

The sensitivity analyses 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.

Sensitivities due to mortality & withdrawals are not material and hence impact of change has not been calculated.

## H. Maturity Profile of Defined benefit obligation:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Post retirement medical benefits plan	Gratuity Fund	Post retirement medical benefits plan
Within next 12 months	880.38	11.15	692.26	11.12
Between 2 and 5 years	3,987.37	47.67	3,256.91	48.01
Between 6 and 10 years	2,951.26	64.59	2,698.03	66.30
Beyond 10 Years	4,082.76	160.47	2,518.29	180.80

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting year is 5 years (31<sup>st</sup> March 2022: 6 years).

The Company expects to contribute ₹ 313.88 (31<sup>st</sup> March 2022: ₹ 335.89) and ₹ 642.30 (31<sup>st</sup> March 2022: ₹ 703.43) to gratuity trust and provident fund trust respectively in the next financial year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## I. Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above defined benefit which are as follows:

Interest rate risk	The present value of defined benefit obligation is determined using the discount rate based on the market yield prevailing at the end of the reporting period on Government Bonds. A decrease in yield will increase the fund liabilities and vice-versa.
Investment Risk	This may arise from volatility in the assets value due to market fluctuation and impairment of assets due to credit losses. These plan assets are invested with LIC - the valuation of which is inversely proportional to the interest rate movements.
Inherent risk	The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Withdrawal risk	Deviations in actual withdrawal than assumed withdrawals and change of withdrawal rates at subsequent valuation can impact plan liability.

## Note 33: Related Party Disclosure

### A. Name of Related Parties

#### **Holding Company**

Zuari Maroc Phosphates Private Limited

#### **Joint Venturer of the Holding Company**

Zuari Agro Chemicals Limited

OCP S.A., Morocco

#### **Subsidiary of the Joint Venturer of the Holding Company**

Mangalore Chemicals and Fertilizers Limited

Zuari FarmHub Limited

#### **Party having significant influence**

Indian Furniture Products Limited

Zuari Industries Limited

Zuari Management Services Limited

Zuari Insurance Broker Limited

Zuari Infracore India Limited

Zuari Rotem Speciality Fertilizers Limited

Zuari Indian Oil Tanking Limited

Simon India Limited

Phosphates De Boucraa SA

Pakistan Maroc Phosphore

Jorf Fertilizer SA

Adventz Finance Private Limited



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## **Joint Venture of Joint Venturer of the Holding Company**

Indo Maroc Phosphare S.A. Morocco

## **Associate of the Company**

Zuari Yoma Agri Solutions Limited

## **Key Managerial Personnel**

Mr. N. Suresh Krishnan, Managing Director (w.e.f. 16<sup>th</sup> February 2020)

Mr. Ranjit Singh Chugh, Chief Operating Officer (upto 31<sup>st</sup> December 2021)

Mr. Sabaleel Nandy, President & Chief Operating Officer (w.e.f. 1<sup>st</sup> August 2020 upto 31<sup>st</sup> March 2023)

Mr. Sailesh Pati, Chief Financial Officer (upto 10<sup>th</sup> August 2021)

Mr. Bijoy Kumar Biswal, Chief Financial Officer (w.e.f. 31<sup>st</sup> January 2022)

Mr. Sisir Kumar Mishra, Company Secretary (w.e.f. 9<sup>th</sup> August 2019 up to 31<sup>st</sup> August 2020)

Mr. Sachin Patil, Company Secretary (w.e.f. 4<sup>th</sup> November 2020)

## **Directors**

Mr. S. K. Poddar, Chairman

Mrs. Ghislane Guedira, Director (upto 24<sup>th</sup> May 2021)

Mr. Karim Lotfi Senhadji, Director (w.e.f. 31<sup>st</sup> January 2022)

Mr. Vinay Kumar Pandey, Director – GOI (w.e.f. 20<sup>th</sup> April 2020 upto 29<sup>th</sup> July 2021)

Mr. Ujjwal Kumar, Director (w.e.f. 10<sup>th</sup> November 2021)

Ms. Kiran Dhingra, Independent Director

Mr. Marco P.A. Wadia, Independent Director (upto 18<sup>th</sup> September 2022)

Mr. Satyananda Mishra, Independent Director (w.e.f. 4<sup>th</sup> November 2020)

Mr. Dipankar Chatterji, Independent Director (w.e.f. 3<sup>rd</sup> August 2021)

Mr. Subhrakanta Panda (w.e.f. 31<sup>st</sup> January 2022)

## **Enterprise where Director is interested**

Lionel India Limited

Texmaco Rail & Engineering Limited

## **Employee benefit trust**

PPL Employee's Provident Fund



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### B. Transactions \*:

Name of Related Party	Sl. No.	Nature of Transactions	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Indo Maroc Phosphare S.A. Morocco	a)	Purchase of raw materials (Phosphoric acid)	219,839.79	136,777.72
	b)	Other expenses (Demurrage Expenses)	64.54	233.04
	c)	Other expenses (Demurrage Written back)	-	0.82
	d)	Other expenses (Claims Written off)	(26.15)	6.58
OCP S.A., Morocco	a)	Purchase of raw materials (Rock phosphate)	146,793.05	84,098.67
	b)	Purchase of raw materials (Phosphoric acid)	19,101.70	25,235.90
	c)	Purchase of stock-in-trade (Imported DAP)	-	25,728.30
	d)	Other expenses (Demurrage expenses)	584.13	100.17
Phosphates De Boucraa S.A	a)	Purchase of raw materials (Rock phosphates)	60,076.25	77,048.68
	b)	Other expenses (Demurrage Expenses)	53.80	11.73
	c)	Interest	-	9.04
Jorf Fertiliser SA	a)	Purchase of stock-in-trade (Imported DAP)	(60.22)	65,317.70
Zuari Agro Chemicals Limited	a)	Sale of fertilizers and highsea sale	7,653.04	1,462.55
	b)	Sale of phosphoric acid and muriate of phosphate	-	29,645.79
	c)	Purchase of raw material for Tolling	3,503.49	5,989.20
	d)	Purchase of stock-in-trade	-	21,108.05
	e)	Other Expenses (Recovery of reimbursement of expenses)	-	2,436.95
	f)	Other expenses (Branding commission)	106.09	207.96
	g)	Other expenses (Exchange gain)	(52.91)	6.94
	h)	Other expenses (power and fuel)	478.42	-
	i)	Other expenses (Demurrage)	16.21	-
	j)	Other expenses (Tolling charges)	642.24	439.99
	k)	Other expenses (Tolling related expenses)	-	6.14
	l)	Other expenses (Rent)	4.00	-
	m)	Interest Charged	55.64	-
n)	Recovery of expenses	25.64	-	
o)	Purchase of business	168,797.46	-	
Zuari Industries Limited	a)	Other expenses (Lease rent)	8.09	-
Zuari FarmHub Limited	a)	Sale of fertilizers	21,091.58	12,219.70
	b)	Other income (amount written back)	2.80	-
	c)	Recovery of expenses	18.22	-
	d)	Other Expenses (Reimbursement of expenses)	-	10.28
Simon India Limited	a)	Purchase of fixed asset	6.17	16.00
	b)	Other income	42.53	-
	c)	Other Expenses (Reimbursement of expenses)	60.14	68.08

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Name of Related Party	Sl. No.	Nature of Transactions	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Zuari Management Services Limited	a)	Other Expenses (Reimbursement of expenses)	693.24	439.78
	b)	Recovery of expenses	11.94	-
Mangalore Chemicals and Fertilizers Limited	a)	Sale of ammonia and sulphuric acid	3,697.12	912.95
	b)	Other income (Interest income on receivable)	-	1.50
	c)	Other expenses (Branding commission)	-	2.06
	d)	Other Expenses (Reimbursement of expenses)	0.04	0.19
	e)	Recovery of expenses	4.25	-
Lionel India Limited	a)	Other expenses (Purchase of air ticket)	190.09	66.74
Adventz Finance Private Limited	a)	Other Expenses (Rent)	132.29	58.92
	b)	Other Expenses (Recovery of reimbursement of expenses)	8.97	-
	c)	Rent advance	34.20	-
	d)	Security deposit paid	18.00	-
Zuari Indian Oil Tanking Limited	a)	Other Expenses (Reimbursement of expenses)	0.79	-
Zuari Maroc Phosphates Private Limited	a)	Other Expenses (Reimbursement of expenses)	1,354.80	270.67
PPL Employee's Provident Fund	a)	Employee benefits expense (Contribution to provident fund)	568.66	558.05
Mr. N Suresh Krishnan	a)	Managerial remuneration	417.61	384.97
Mr. Ranjit Singh Chugh	a)	Remuneration	-	207.13
Mr. Sabaleel Nandy	a)	Remuneration	164.65	131.00
Mr. Sailesh Pati	a)	Remuneration	5.05	41.55
Mr. Bijoy Kumar Biswal	a)	Remuneration	64.47	10.27
Mr. Sisir Kumar Mishra	a)	Remuneration	-	1.58
Mr. Sachin Patil	a)	Remuneration	23.60	13.51
Mr. Kiran Dhingra	a)	Director Sitting Fee	6.45	4.30
Mr. Marco P.A. Wadia	a)	Director Sitting Fee	4.30	4.30
Mr. Satyananda Mishra	a)	Director Sitting Fee	5.90	2.75
Mr. Dipankar Chatterjee	a)	Director Sitting Fee	5.35	1.60
Mr. Subhrakanta Panda	a)	Director Sitting Fee	3.00	-





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### C. Balance outstanding

Particulars	Sl. No.	Nature of Transactions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Indo Maroc Phosphare S.A. Morocco	a)	Trade payables - Purchase of raw material	51,568.78 Cr	31,641.95 Cr
	b)	Claims receivable	4,862.38 Dr	3,523.59 Dr
OCP S.A., Morocco	a)	Trade Payable - Purchase of raw material	2895.21 Cr	31,498.30 Cr
	b)	Claims receivable	19,551.64 Dr	13,501.95 Dr
	c)	Trade payables - Reimbursement of expenses	38.30 Dr	0.76 Dr
Pakistan Maroc Phosphore SA	a)	Trade payables - Purchase of raw material	9.82 Cr	9.06 Cr
Phosphates De Boucraa S.A	a)	Trade Payables - Purchase of raw material	22,308.56 Cr	12,264.45 Cr
	b)	Claims receivable	8,142.49 Dr	15,309.46 Dr
Jorf Fertiliser SA	a)	Trade Payables - Purchase of raw material	96.22 Cr	88.75 Cr
	b)	Trade Payables - Purchase of traded material	83.19 Dr	34,744.42 Cr
	c)	Claims receivable	-	248.56 Dr
Zuari Yoma Agri Solutions Limited	a)	Investment in associate	365.60 Dr	365.60 Dr
	b)	Other receivable - Reimbursement of expenses	56.18 Dr	56.18 Dr
Zuari Agro Chemicals Limited	a)	Trade receivables - Sale of fertilizers	3,990.46 Dr	-
	b)	Other financial liabilities - payable against business acquisition	1,434.89 Cr	112,632.27 Dr
	c)	Other financial assets - Interest receivables	55.63 Dr	-
	d)	Trade receivable - Reimbursement of expenses	87.86 Cr	-
	e)	Trade payables - Branding commission	106.09 Cr	-
	f)	Trade receivable - Rent	4.00 Cr	-
	g)	Trade receivables - Recovery of expenses	25.64 Dr	-
	h)	Capital Advance - Advance for Purchase of Land	1,100 Dr	-
Zuari Industries Limited (Erstwhile Zuari Global Limited)	a)	Trade payable - Lease Rent	27.79 Cr	-
Zuari FarmHub Limited	a)	Trade receivables - Sale of Fertilizers	7,535.78 Dr	2,502.61 Dr
	b)	Trade receivable - Recovery of expenses	18.22 Dr	-
Simon India Limited	a)	Capital advance - Purchase of fixed asset	24.19 Dr	24.19 Dr
	b)	Retention money	-	42.53 Cr
	c)	Trade Payable - Reimbursement of expenses	0.46 Dr	0.17 Dr



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Sl. No.	Nature of Transactions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Zuari Management Services Limited	a)	Trade Payables - Reimbursement of expenses	18.86 Cr	47.48 Cr
Zuari Infraworld India Limited	a)	Advance to vendors - Reimbursement of expenses	1.34 Dr	1.34 Dr
	b)	Trade Payables - Reimbursement of expenses	5.06 Cr	-
	c)	Security deposit	29.32 Dr	-
Mangalore Chemicals and Fertilizers Limited	a)	Advance to vendors - Purchase of fertilizer	114.99 Dr	-
		Trade Receivables - High sea sale of raw material	3,693.47 Dr	-
	d)	Trade payables - Other expenses	-	0.22 Cr
Lionel India Limited	a)	Trade payables - Purchase of air ticket	0.26 Cr	11.11 Cr
Adventz Finance Private Limited	a)	Security deposit	60.00 Dr	42.00 Dr
	b)	Advance to vendors - rent	34.20 Dr	
Zuari Maroc Phosphates Private Limited	a)	Other payable	13.54 Cr	270.67 Dr
PPL Employee's Provident Fund	a)	Contribution to provident fund	47.32 Cr	46.28 Cr
Mr. N Suresh Krishnan	a)	Managerial remuneration	-	34.29 Cr
Mr. Sabaleel Nandy	a)	Remuneration	12.25 Cr	12.53 Cr
Mr. Bijoy Kumar Biswal	a)	Remuneration	-	5.53 Cr
Mr. Sachin Patil	a)	Remuneration	-	1.51 Cr



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 34: Financial instruments - Fair value of financial assets and financial liabilities

### (a) Accounting classifications and fair values:

Particulars	Fair Value Hierarchy	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Derivative financial liabilities	Level 2	1,628.93	-
Investments	Level 2	-	55,036.14
Derivative financial assets	Level 2	-	453.37

Particulars	For the year ended 31 <sup>st</sup> March 2023			For the year ended 31 <sup>st</sup> March 2023		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
<b>Current financial assets</b>						
Trade receivables	-	-	368,973.75	-	-	-
Cash and cash equivalents	-	-	4,303.42	-	-	-
Other bank balances	-	-	6,681.98	-	-	-
Other current financial assets						
Derivative financial asset	-	-	-	-	-	-
Claims receivable	-	-	32,587.91	-	-	-
Interest receivable on deposits, receivables etc	-	-	126.68	-	-	-
Receivables from Gas pool operator			961.03			
Other receivables from related parties	-	-	42.65	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>413,677.42</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	-	61,188.79	-	-	-
Lease liabilities	-	-	1,603.78	-	-	-
Other non-current financial liabilities	-	-	180.42	-	-	-
<b>Current financial liabilities</b>						
Borrowings	-	-	401,921.53	-	-	-
Lease liabilities	-	-	77.32	-	-	-
Trade and other payables	-	-	200,817.27	-	-	-
Derivatives financial liabilities	1,628.93	-	-	-	1,628.93	-
Security deposits	-	-	12,804.58	-	-	-
<b>Total financial liabilities</b>	<b>1,628.93</b>	<b>-</b>	<b>6,78,593.69</b>	<b>-</b>	<b>1,628.93</b>	<b>-</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2022		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
<b>Current financial assets</b>						
Trade receivables	-	-	90,247.54	-	-	-
Cash and cash equivalents	-	-	53,784.10	-	-	-
Other bank balances	-	-	5,987.37	-	-	-
Other current financial assets						
Derivative financial assets	453.37	-	-	-	453.37	-
Claims receivable	-	-	33,032.80	-	-	-
Investments	55,036.14	-	-	-	55,036.14	-
Interest receivable on deposits, receivables etc	-	-	31.34	-	-	-
Other receivables from related parties	-	-	326.85	-	-	-
<b>Total financial assets</b>	<b>55,489.51</b>	<b>-</b>	<b>183,410.00</b>	<b>-</b>	<b>55,489.51</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	-	52,817.08	-	-	-
Other non-current financial liabilities	-	-	286.71	-	-	-
<b>Current financial liabilities</b>						
Borrowings	-	-	242,612.49	-	-	-
Trade and other payables	-	-	231,940.37	-	-	-
Security deposits	-	-	3,166.26	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>530,822.91</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

The fair value of investments in mutual funds is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published NAV statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuer will redeem such units from the investors.

The fair value of derivatives is determined using quoted forward exchange rates at the reporting date.

There has been no transfer between level 1, level 2 and level 3 during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (b) Class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value		Fair value	
	As at	As at	As at	As at
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
<b>Financial assets</b>				
Investments	-	55,036.14	-	55,036.14
<b>Others:</b>				
Derivative financial assets	-	453.37	-	453.37
<b>Total financial assets</b>	<b>-</b>	<b>55,489.51</b>	<b>-</b>	<b>55,489.51</b>
<b>Financial liabilities</b>				
<b>Borrowings</b>				
Long term borrowings (Floating rate)	61,188.79	52,817.08	61,188.79	52,817.08
Lease liabilities	1,603.78	-	1,603.78	-
<b>Others:</b>				
Derivative financial liabilities	1,628.93	-	1,628.93	-
Employee related dues	180.42	286.71	180.42	286.71
<b>Total financial liabilities</b>	<b>64,601.92</b>	<b>53,103.79</b>	<b>64,601.92</b>	<b>53,103.79</b>

The management assessed that cash and cash equivalents, other bank balance, trade receivables, other current financial assets (except derivative financial assets), trade payables, short term borrowings and other current financial liabilities (except derivative financial liabilities) approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative contracts. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### A Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Trade receivables

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigates the credit risk to some extent.

Reconciliation of loss allowance on:	Trade receivables amount	Other financial assets amount
Balance as at 1 <sup>st</sup> April 2021	3,479.01	209.79
Movement during the year	1,036.02	-
Balance as at 31 <sup>st</sup> March 2022	<b>4,515.03</b>	<b>209.79</b>
Movement during the year	1,235.84	-
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>5,750.87</b>	<b>209.79</b>

## B Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2023:

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	191,247.67	191,247.67	-	-
Borrowings (including current maturities of non-current borrowings)	463,110.32	401,921.53	61,188.79	-
Other financial liabilities	24,183.53	24,003.11	180.42	-
Lease liabilities	1,681.10	199.60	1,054.18	1,838.07
<b>Total</b>	<b>680,222.62</b>	<b>617,371.91</b>	<b>62,423.39</b>	<b>1,838.07</b>

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2022:

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	227,339.87	227,339.87	-	-
Borrowings (including current maturities of non-current borrowings)	295,429.57	242,612.49	52,817.08	-
Other financial liabilities	8,053.47	7,766.76	286.71	-
<b>Total</b>	<b>530,822.91</b>	<b>477,719.12</b>	<b>53,103.79</b>	<b>-</b>

## C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in other market variables. Refer sensitivity analyses below.

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

## (a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates..

### Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with ₹, with all other variables held constant. The impact on the Company's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. Refer Note 37 for details on foreign currency exposure.

Particulars	Profit and loss	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
₹/USD strengthening [5% movement]	(81.11)	(2,512.15)
₹/USD weakening [5% movement]	81.11	2,512.15
₹/EURO strengthening [5% movement]	(161.37)	(361.37)
₹/EURO weakening [5% movement]	161.37	361.37

## (b) 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 manages fund requirements and performs sensitivity analysis to keep interest rate risk within limits.

### Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

Particulars	Profit and loss	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>INR Borrowings</b>		
Variable rate instruments - increase by 50 basis points	(1,021.33)	(478.02)
Variable rate instruments - decrease by 50 basis points	1,021.33	478.02
<b>Foreign Currency Borrowings-USD</b>		
Variable rate instruments - increase by 50 basis points	(1,294.22)	(999.13)
Variable rate instruments - decrease by 50 basis points	1,294.22	999.13

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

## (c) Commodity price risk

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and mauratic potash. All being international commodities is subject to price fluctuation on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertilizer industry based on the market trend.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 36: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital keeping in view the adequate interest and debt service coverage ratio.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

## Note 37: Unhedged foreign currency exposure

(a) Forward contract outstanding as at 31<sup>st</sup> March 2023, against import of goods is ₹ 334,293.05 (31<sup>st</sup> March 2022: ₹ 305,346.85).

(b) Details of un-hedged foreign currency exposure as on the Balance Sheet date are as follows:

	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	(USD in Million)	(EURO in Million)	(₹ In Lakhs)	(USD in Million)	(EURO in Million)	(₹ In Lakhs)
<b>Liabilities:</b>						
Trade Payable and Creditors for Property Plant and Equipment (including acceptance)	37.99	-	31,218.23	100.32	8.58	83,266.02
Short term borrowings- Buyers and Suppliers Credit	5.96	-	4,897.81	9.26	-	7,019.06
Other Interest accrued but not due on borrowings	2.39	0.02	1,982.34	0.29	-	218.08
<b>Assets:</b>						
Claims receivable	40.46	-	33,248.76	43.58	-	33,032.80

## Note 38: Reconciliation of liabilities from financing activities.

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year		
- Non-current borrowings	52,817.08	11,341.13
- Current borrowings	242,612.49	113,776.12
Cash flows		
- Proceeds/(Repayment) of non-current borrowings	25,704.06	50,636.76
- Proceeds/(Repayment) of current borrowings	128,580.21	112,249.38
Non-cash changes - represents foreign exchange fluctuation and unwinding of interest	13,396.48	7,426.18
Balance at the end of the year		
- Non-current borrowings	61,188.79	52,817.08
- Current borrowings	401,921.53	242,612.49

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

**Note 39: Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of Standalone Financial Information' of Division II of Schedule III**

**As at and for the period 31<sup>st</sup> March 2023**

Name of the Company	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Company</b>								
Paradeep Phosphates Limited	100.01%	350,520.55	99.83%	30,368.74	155.50%	69.10	99.92%	30,437.84
<b>Associate</b>								
Zuari Yoma Agri Solutions Limited	0.09%	315.29	0.17%	50.52	-119.89%	(53.28)	-0.01%	-2.76
Adjustments arising out of consolidation	-0.10%	(365.61)	0.00%	-	64.39%	28.62	0.09%	28.62
<b>Total</b>	<b>100%</b>	<b>350,470.23</b>	<b>100%</b>	<b>30,419.26</b>	<b>100%</b>	<b>44.44</b>	<b>100%</b>	<b>30,463.70</b>

**As at and for the period 31<sup>st</sup> March 2022**

Name of the Company	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Company</b>								
Paradeep Phosphates Limited	100.03%	222,575.92	99.85%	39,784.20	48.00%	(46.34)	99.97%	39,737.86
<b>Associate</b>								
Zuari Yoma Agri Solutions Limited	0.13%	289.43	0.15%	61.12	62.60%	(60.44)	0.00%	0.68
Adjustments arising out of consolidation	-0.16%	(365.61)	0.00%	-	-10.60%	10.23	0.03%	10.23
<b>Total</b>	<b>100%</b>	<b>222,499.74</b>	<b>100%</b>	<b>39,845.32</b>	<b>100%</b>	<b>(96.55)</b>	<b>100%</b>	<b>39,748.77</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 40

- a) The Company, in an earlier year, had received an Arbitration Award in its favour in the matter of Cargo Charges Tariff dispute with Paradeep Port Trust (PPT) for the years 1993–1999. PPT in earlier year had appealed with the higher authorities against such award which was confirmed by the Appellate Authority. However, as against the above order, the PPT went into further appeal with the Hon'ble High Court of Odisha and the High Court in its interim order directed the Company not to execute award at this stage. The Company has not recognised this award as income in the Statement of Profit and Loss.
- b) Paradeep Port Trust (PPT) proposed a revision in scale of rates applicable to the Company for cargo handling in the captive berth w.e.f. 1 April 1999. The matter was referred to Tariff Authority of Major Ports (TAMP) on mutual consent of the parties under the direction of Hon'ble High Court of Odisha. During the previous year, TAMP had finalised the rates, but PPT had not agreed with the order and proceeded with a writ petition before the Hon'ble High Court of Odisha against the said order. Pending disposal of the case, the Company has not recognised the amount receivable from PPT towards the excess amount paid over the applicable TAMP order.

## Note 41

During the year, a sum of ₹ 119.14 (31<sup>st</sup> March 2022: ₹ 112.46) including capital expenditure of ₹ 0.95 (31<sup>st</sup> March 2022: ₹ 0.76) was spent on research and development (excluding depreciation charge).

## Note 42(a) : Employee share based payment

Pursuant to the resolutions passed by the Board and by the Shareholders on 10 August 2021, the Company approved 'PPL Employees Stock Option Plan 2021 ("ESOP 2021")' is in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 3,600,000 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

Pursuant to the resolution passed by the Board on 29<sup>th</sup> April 2022 the Company has granted 2,400,058 nos of options under ESOP Scheme at a exercise price of ₹42 per option. The total number of options available under ESOP Scheme is 3,600,000 which are exercisable for 3,600,000 Equity Shares.

Vesting conditions	Exercise period	Date of Grant	Numbers of options granted	Exercise price per share
On continued employment with the Company	3 years from date of each vesting	29 <sup>th</sup> April 2022	24,00,058	₹42

## Vesting schedule :

Vesting schedule of the said options granted on 29<sup>th</sup> April 2022 was as follows:

- After 12 Months from the date of grant : 30 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 36 Months from the date of grant : 35 % of the options granted

The Exercise period shall not be more than 5 (Five) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

## The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

Particulars	Exercise period
Grant date	29 <sup>th</sup> April 2022
Fair value at grant date(₹)	18.69
Share price at grant date(₹)	41
Exercise price(₹)	42
Expected Life (expected weighted average life)	4.50
Expected dividend yield (%)	0
Expected volatility	45%
Risk free interest rate (based on zero-yield curve for Government Securities)	6.70%



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Reconciliation of outstanding share options:

Particulars	As at 31 <sup>st</sup> March 2023
Number of Options Outstanding at the beginning of the year	-
Number of Options granted during the year	2,400,058
Number of Options forfeited/lapsed during the year	381,054
Number of Options vested during the year	-
Number of Options outstanding at the end of the year	2,019,004
Number of Options exercisable at the end of the year	-

## Expense arising from share based payment transactions:

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

Particulars	Year ended 31 <sup>st</sup> March 2023
Expenses on Employees Stock Options Scheme	197.83

## Note 42(b) : The utilisation of IPO proceeds out of fresh issue is summarized below:

During financial year 2022-23 the Company completed its Initial Public Offer (IPO) of 357,555,112 equity shares of face value of ₹ 10/- each for cash at an issue price of ₹ 42/- per equity share aggregating to ₹ 150,173.15, consisting of fresh issue of 239,047,619 equity shares aggregating to ₹ 100,400.00 and an offer for sale of 118,507,493 equity shares aggregating to ₹ 49,773.15 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 27<sup>th</sup> May 2022.

## The utilisation of IPO proceeds out of fresh issue is summarized below:

Particulars	Object of the issue as per prospectus	Utilisation upto 31 <sup>st</sup> March 2023	Unutilised amount as at 31 <sup>st</sup> March 2023
Part-financing the acquisition of the Goa Facility	52,000	52,000	-
Repayment/prepayment of certain of our borrowings	30,000	33,450	-
General corporate purposes	14,315	10,865	-

## Note 43

- The Company, has not entered into any transactions with struck off companies, during the year ended 31<sup>st</sup> March 2023 (previous year ended 31<sup>st</sup> March 2022).
- No funds 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(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, no funds that have been received by the Company from any person(s) or entity(is), including foreign entities ("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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 44 : Business combination

(a) During the year Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited ("ZACL") on a slump sale going concern basis pursuant to the business transfer agreement entered into by the Company with ZACL. The acquisition was completed and effective from 1<sup>st</sup> June 2022 for a consideration of ₹ 168,797.46 which was paid to ZACL pursuant to the business transfer agreement. The Goa plant and allied business acquired by the Company is in the business of manufacture and sale of urea and complex fertilisers.

(b) Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:-

Particulars	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>	
<b>I. Non-current assets</b>	
(a) Property, plant and equipment	147,378.30
(b) Right-of-use assets	1,082.90
(c) Capital work-in-progress	12,992.80
(d) Intangible assets	76.13
(e) Financial Assets	
(i) Loans	19.30
(ii) Others	233.20
<b>Total non-current assets</b>	<b>161,782.63</b>
<b>II. Current assets</b>	
(a) Inventories	9,194.20
(b) Financial assets	
(i) Loans	3.50
(ii) Trade receivables	37,010.20
(iii) Other financial assets	170.93
(c) Other current assets	15,198.20
<b>Total current assets</b>	<b>61,577.03</b>
<b>Total assets A (I+II)</b>	<b>223,359.66</b>
<b>Liabilities</b>	
<b>(I) Non-current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	10.10
(ii) Lease Liabilities	1,780.78
<b>Total non-current liabilities</b>	<b>1,790.88</b>
<b>(II) Current liabilities</b>	
(a) Financial liabilities	
(i) Trade payables	4,1047.16
(ii) Other financial liabilities	14,070.90
(b) Other current liabilities	2,365.26
(c) Provisions	1,792.90
<b>Total current liabilities</b>	<b>59,276.22</b>
<b>Total liabilities B (I+II)</b>	<b>61,067.10</b>
<b>Total fair value of net assets acquired C (A-B)</b>	<b>162,292.56</b>
<b>Closing Consideration D</b>	<b>168,797.46</b>
<b>Deferred tax asset relating to origination and differences of Goa unit on Slump sale E</b>	<b>697.96</b>
<b>Goodwill (D-C-E)</b>	<b>5,806.94</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- (c) Acquisition related costs amounting to ₹ 4.68 on legal fees, valuation fees, ₹ 3,069.91 as stamp duty have been recognised as legal and professional expense and rates and taxes respectively in the Consolidated Statement of Profit and Loss within Other expenses.
- (d) From the date of acquisition, the acquired business contributed ₹ 4,28,259.23 to total income and a profit of ₹ 3,453.74 to the consolidated profit before tax. Had the business combination been effected at April 1, 2022, the total income of the Company would have been higher by ₹ 28,622.00 and profit before tax would have been lower by ₹ 1,522.00.
- (e) The goodwill recognized is attributable to expected synergies from combining operations of the Company and acquired business and would not be deductible for tax purposes.
- (f) In relation to property, plant and equipment acquired through business combination fair valuation was determined based on the valuation model which considered market prices for similar items and depreciated replacement cost, as appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
- (g) Contingent liabilities was recognized on acquisition, the details of which are as under:-

Particulars	Amount
Customs duty demand	530.14
Goods and services tax demand	4,016.08
Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas	4,291.34
Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips	140.52

As at 31<sup>st</sup> March 2023, there has been no change in the amount recognised as contingent liabilities on 1<sup>st</sup> June 2022, as there has been no change in the probability of the outcome of the cases as noted above.

### Note 45

The subsidy rates for phosphatic fertilizers under Nutrient Based Subsidy Scheme for the year ended 31<sup>st</sup> March 2023 have been recognised based on management's estimate, pending finalisation by the Government of India.

**Note 46:** The Consolidated Financial Statements were approved for issue by the board of directors on 17<sup>th</sup> May 2023.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023



# NOTICE

To

## The Members,

NOTICE is hereby given that the Forty-First (41<sup>st</sup>) Annual General Meeting of the Members of Paradeep Phosphates Limited ("the Company") will be held on **Tuesday 26<sup>th</sup> September 2023, at 3:00 P.M. (IST)**, through Video Conference ("VC") / Other AudioVisual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt
  - (a) The Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 and the Reports of the Board of Directors and Auditors thereon.
  - (b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 and the Report of the Auditors thereon.
2. To declare final dividend on equity shares for the financial year 2022-23.
3. To appoint Mr. Saroj Kumar Poddar (DIN: 00008654), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

#### 4. Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. S. S. Sonthalia & Co., Cost Accountant in practice, appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year 2023-24, being ₹ 3,00,000 (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

#### 5. Approval of Material Related Party Transaction(s) with related parties

To consider and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**.

"RESOLVED THAT in modification of the earlier resolution passed by the members at their meeting held on 12<sup>th</sup> September, 2022 and pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and the applicable provisions of the Companies Act, 2013 ("the Act") if any read with the rules framed thereunder (including any statutory amendment(s) or reenactment(s) thereof, for the time being in force, if any), approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any duly authorised Committee constituted /empowered by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and / or carrying out and / or continuing with existing contracts / arrangements/ transactions (whether individual transaction or transaction(s) taken together or series of transaction(s) or otherwise), with OCP S.A. , Indo Maroc Phosphare S. A., Phosphates De Boucraa S.A and Jorf Fertiliser S.A, being related parties of the Company, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier/ arrangements/transactions or as fresh and independent transaction(s) or otherwise during the financial year 2023-2024, as per the details set out in the explanatory statement annexed to this notice, provided however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, file requisite forms with the regulatory authorities and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorised person(s) to give effect to this resolution."

#### 6. Appointment of Mrs. Rita Menon (DIN: 00064714) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149,150,152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee Mrs. Rita Menon (DIN: 00064714), who was appointed as an Additional Director (Category: Non-Executive Independent) of the Company by the Board of Directors with effect from 27<sup>th</sup> June 2023 and who hold the office till the conclusion of this 41st Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, proposing her candidature for appointment as Director, be and is hereby appointed as Independent Director for a term of 3 (three) years from 27th June 2023 up to 26th June 2026, not be liable to retire by rotation.

RESOVLED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, things and matters and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**7. Re-appointment of Mr. Satyananda Mishra (DIN: 01807198) as an Independent Director of the Company and continuation of directorship after attaining the age of 75 years**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Act and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, Mr. Satyananda Mishra (DIN: 01807198 DOB: 17/01/1949), who holds office as an Independent Director up to 3<sup>rd</sup> November 2023, in respect of whom the Company has received a notice in writing from a member under Section 160 of the of the Act,

proposing his candidature for re-appointment as an Independent Director, be and is hereby reappointed as an Independent Director, not liable to retire by rotation, for a second term of 3 (three) years with effect from 4<sup>th</sup> November 2023 up to 3<sup>rd</sup> November 2026.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, approval of the members, be and is hereby accorded for continuation of directorship of Mr. Satyananda Mishra after attaining the age of 75 years, during his tenure as an Independent Director of the Company."

By **Order of the Board of Directors**

**Sachin Patil**

Company Secretary

Date: 27<sup>th</sup> June 2023

Registered Office: 5<sup>th</sup> Floor, OSHWC Building,  
Pandit J N Marg, Bhubaneswar – 751 001

**NOTES:**

1. The related Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") is annexed hereto. Additional information as required under Regulation 36 of the Listing Regulations and the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India in respect of the Director seeking appointment/re-appointment at the Annual General Meeting (AGM), forms part of this Notice.
2. Pursuant to General Circular No. 14/2020 dated 8<sup>th</sup> April 2020, Circular No.17/2020 dated 13<sup>th</sup> April 2020, Circular No. 20/2020 dated 5<sup>th</sup> May 2020, Circular No. 02/2021 dated 13<sup>th</sup> January 2021, Circular No. 19/2021 dated 8<sup>th</sup> December 2021, Circular No. 21/2021 dated 14<sup>th</sup> December 2021, Circular No. 2/2022 dated 5<sup>th</sup> May 2022 and Circular No. 10/2022 dated 28<sup>th</sup> December 2022 (hereinafter collectively referred to as "MCA Circulars"), the Company is conveying 41<sup>st</sup> AGM through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. The Notice of the 41<sup>st</sup> Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circulars issued by SEBI



dated 12<sup>th</sup> May 2020, 15<sup>th</sup> January 2021, 13<sup>th</sup> May 2022 and 5<sup>th</sup> January 2023. The Notice calling the AGM and Annual Report for the financial year 2022-23 has been uploaded on the website of the Company at [www.paradeepphosphates.com](http://www.paradeepphosphates.com). The Notice and Annual Report for the financial year 2022-23 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

4. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Members holding equity shares of the Company as on Tuesday, 19<sup>th</sup> September 2023 ('Cut-off date') can join the meeting anytime 30 minutes before commencement of the AGM by following the procedure mentioned in the Notice.
5. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 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.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Since this AGM is being held through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars (a) Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not annexed to this Notice.
8. Corporate shareholders/institutional shareholders intending to send their authorised representative(s) to attend and vote at the 41<sup>st</sup> AGM are requested to send from their registered e-mail address, scan copy of the relevant Board Resolution/ Authority Letter, etc. authorising their representative(s) to vote, to the Scrutiniser on his e-mail ID at [cs.sbhat@gmail.com](mailto:cs.sbhat@gmail.com) with a copy marked to [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com)
9. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members can avail facility for nomination in respect of the shares held by them. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts.
- 11. Record Date:** Members may kindly note that Tuesday, 19<sup>th</sup> September 2023 has been fixed as the "Record Date" to determine entitlement of members to the final dividend for the financial year 2022-23
- 12. Dividend:**
  - (i) Pursuant to Finance Act, 2020, dividend income is taxable in the hands of members w.e.f. 1<sup>st</sup> April 2020. Accordingly, the final dividend, as recommended by the Board of Directors, and if approved at 41<sup>st</sup> AGM, shall be paid after deducting tax at source ('TDS') at the prescribed rates in accordance with the provisions of the Income Tax Act, 1961, within 30 days from the date of declaration to the beneficial owners in respect of equity shares held by them in dematerialised form whose name appear in the list of beneficial owners furnished by NSDL and Central Depository Services (India) Limited ('CDSL'), as on close of business hours on Tuesday, 19<sup>th</sup> September 2023.
  - (ii) Detailed information in respect of deduction of tax at source (TDS) on the Final Dividend for the financial year 2022-23 is uploaded on the companied website at: <https://www.paradeepphosphates.com/investors/corporate-governance#agmegmpostal-ballot>
  - (iii) In case of members whose bank details are not updated in the records of the Company's Registrar and Share Transfer Agent/Depositories before close of business hours on Tuesday, 19<sup>th</sup> September 2023 or in case the Company is unable to pay the dividend to any member directly in his/her bank account via electronic clearing service, the Company shall dispatch draft/cheque to such member(s) by post
13. The statutory registers maintained under Section 170 and Section 189 of the Act shall be made available electronically for inspection by the Members

on the website of the Company at <https://www.paradeepphosphates.com/investors/corporate-governance#agmegmpostal-ballot> during the time of AGM.

14. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com). The Company reserves the right to restrict the number of questions and / or number of speakers, depending upon availability of time, for smooth conduct of the AGM.

#### 15. E-Voting :

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. Members shall have the option to vote either through remote e-voting or voting through electronic means at the AGM.
- **Detailed instructions for remote e-voting/e-voting and also for attending the AGM are annexed as Annexure - 2**
- Mr. Shivaram Bhat, Practicing Company Secretary (Membership No. ACS 10454) has been appointed by the Board of Directors of the Company as the Scrutiniser for scrutinising the remote e-voting

process as well as voting during the meeting, in a fair and transparent manner.

- **The remote e-voting period begins on Friday 22<sup>nd</sup> September 2023 at 10.00 A.M. (IST) and ends on Monday 25<sup>th</sup> September 2023 at 5.00 P.M.(IST).**
- Voting rights of members shall be reckoned on the paid up value of equity shares registered in their name as on the 'Cut-off date' i.e. Tuesday, 19<sup>th</sup> September 2023.
- Members 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', shall be entitled to avail the facility of remote e-voting or e-voting at the AGM, as the case may be.
- Any person who becomes a Member of the Company after dispatch of the Notice of 41<sup>st</sup> AGM and holds equity shares as on the 'Cut-off date' may also follow the procedure as outlined in Annexure-2 to this Notice. Any person who is not a Member as on the 'Cut-off date' should treat this Notice for information purpose only.

#### 16. Declaration of results of voting

- The Scrutiniser shall immediately after conclusion of the Annual General Meeting, shall count votes casted on the day of the meeting, thereafter unblock the votes cast through remote e-voting.
- The Scrutiniser will submit, within 2 working days of conclusion of the AGM, a consolidated scrutiniser's report, of the total votes cast in favour or against, if any, to the Chairman of AGM or any other Director or Company Secretary authorised by the Chairman of the AGM in writing who will countersign the same and declare the result of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office. The result will also be displayed on the website of the Company at [www.paradeepphosphates.com](http://www.paradeepphosphates.com), besides being communicated to Stock Exchanges.



# EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

## Item No. 4: Ratification of Remuneration to Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. S. S. Sonthalia & Co., Cost Accountant in practice as the Cost Auditor to conduct the audit of the Cost Accounts of the Company for the financial year 2023-24 at a remuneration of ₹ 3,00,000 (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses incurred by them in connection with the aforesaid audit.

In terms of provisions of Section 148 of the Act read with 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 for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial Year 2023-24.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP are concerned or interested in this resolution.

## Item No. 5: Approval of Material Related Party Transaction(s) with related parties

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of

Your Board of Directors accordingly recommends passing of the resolution contained in Item No. 5 of this Notice for approval by the Members by way of an ordinary resolutions. Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22<sup>nd</sup> November 2021 is provided herewith:

1	Name of the Related Party	OCP S.A., Indo Maroc Phosphare S. A., Phosphates De Boucraa S.A and Jorf Fertiliser S.A										
2	Nature of relationship	Promoter & promoter group of the Company										
3.	Names of the directors or Key managerial Personnel who is related, if any.	Mr. Karim Senhadji- CFO of OCP Group and Mr. Soual Mohamed										
4.	Type, Nature, particulars, material terms of contract	<ul style="list-style-type: none"> <li>• Purchase of raw materials goods and allied activities</li> <li>• Availing of services</li> <li>• Cost recharge/rebate/demurrage to and from related parties</li> <li>• Interest /claims- receivable/payables</li> </ul>										
5.	Tenure/Duration/Approval Period	For Financial Year 2023-24										
6	Value/Amount of transaction	<p>Transactions amounting to ₹ 7000 Crores in a Financial Year with following related parties</p> <table border="1"> <thead> <tr> <th>Name of Related party</th> <th>Amount of Transactions in a year *</th> </tr> </thead> <tbody> <tr> <td>Indo Maroc Phosphates S.A.</td> <td>3000</td> </tr> <tr> <td>OCP S.A.</td> <td>1700</td> </tr> <tr> <td>Phosphates De Boucraa S.A</td> <td>1700</td> </tr> <tr> <td>Jorf Fertiliser S.A</td> <td>600</td> </tr> </tbody> </table> <p>*Board of Directors may interchange the limit between each of the related parties mentioned above within the overall limit of ₹ 7000 Crores</p>	Name of Related party	Amount of Transactions in a year *	Indo Maroc Phosphates S.A.	3000	OCP S.A.	1700	Phosphates De Boucraa S.A	1700	Jorf Fertiliser S.A	600
Name of Related party	Amount of Transactions in a year *											
Indo Maroc Phosphates S.A.	3000											
OCP S.A.	1700											
Phosphates De Boucraa S.A	1700											
Jorf Fertiliser S.A	600											

India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective 1<sup>st</sup> April 2022, mandates prior approval of Members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ₹ 1,000 Crores, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

In the financial year 2023-24, the related party transactions as mentioned below, in the aggregate, are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, approval of the Members is being sought by passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

The Audit Committee of the Company has approved the said related party transactions with related parties at its meeting held on 17<sup>th</sup> May 2023 and has noted that although the said related party transactions are in the ordinary course of business of the Company and shall be entered into at an arm's length basis, they may, in aggregate, cross the applicable materiality thresholds as mentioned above.

7.	The manner of determining the pricing and other commercial terms	The related party transactions are ordinary course of business and at arm's length basis.								
8.	The percentage of the listed entity's consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	<table border="1"> <tr> <td>Indo Maroc Phosphates S.A.</td> <td>22 %</td> </tr> <tr> <td>OCP S.A.</td> <td>13%</td> </tr> <tr> <td>Phosphates De Boucraa S.A</td> <td>13 %</td> </tr> <tr> <td>Jorf Fertiliser S.A</td> <td>4 %</td> </tr> </table>	Indo Maroc Phosphates S.A.	22 %	OCP S.A.	13%	Phosphates De Boucraa S.A	13 %	Jorf Fertiliser S.A	4 %
Indo Maroc Phosphates S.A.	22 %									
OCP S.A.	13%									
Phosphates De Boucraa S.A	13 %									
Jorf Fertiliser S.A	4 %									
9.	Justification as to why the RPT is in the interest of the listed entity	<ul style="list-style-type: none"> <li>We depend on OCP, Indo Maroc Phosphore S.A. Morocco, Phosphates De Boucraa S.A. and Jorf Fertiliser S.A. for the procurement of our most important raw material by value, Phosphate Rock and Phosphoric acid.</li> <li>In order to ensure a stable supply of our most important raw material by value, the Company has entered into a long term Phosphate Rock supply contract with OCP our promoter and globally leading producer of such raw material and which operates largely in the Morocco which has approximately 70% of the global Phosphate Rock reserves according to CRISIL Research, provides us the ability to source cost-effective and increasing amounts of Phosphate Rock as our operations grow.</li> <li>Arrangement is commercially beneficial.</li> <li>Competitive pricing and at arm's length with assurance of quality and also provides flexibility to our sourcing plants during the volatility of supply.</li> </ul>								
10.	A copy of the valuation or other external party report, if any such report has been relied upon	As the transactions are in the ordinary course of business at arm's length, the transactions do not contemplate any valuation.								
11.	Any other information that may be relevant	All relevant information forms part of this explanatory statement								

The Members may please note that in terms of provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not) shall not vote to approve the ordinary resolution at Item No. 5 of the Notice.

None of the other Directors, Key Managerial Personnel or their respective relatives, are in any way concerned or interested in the said resolution.

**Item No. 6: Appointment of Mrs. Rita Menon (DIN: 00064714) as an Independent Director**

Based on the recommendation of Nomination and Remuneration Committee, the Board by resolution passed on 27<sup>th</sup> June 2023 approved the appointment of Mrs. Rita Menon (DIN: 00064714) as an Additional Director in the category of Independent Directors w.e.f. 27<sup>th</sup> June 2023.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), Mrs. Rita Menon holds office as an Additional Director till the date of the ensuing 41<sup>st</sup> Annual General Meeting (AGM) scheduled on September 26<sup>th</sup>, 2023.

A notice has been received in writing from a member under Section 160 of the Companies Act, 2013 proposing

appointment of Mrs. Rita Menon as an Independent Director of the Company.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company through resolution passed by circulation on June 27<sup>th</sup>, 2023 recommended the appointment of Mrs Rita Menon as an Independent Director on the Board of the Company, not liable to retire by rotation, for a term of 3 years commencing from the date of Board's approval i.e. 27<sup>th</sup> June 2023.

The Company has received in writing from Mrs. Rita Menon (i) consent to act as Director of the Company; (ii) intimation to the effect that she is not disqualified from being appointed as Director in terms of Section 164(2) of the Act; and (iii) declaration that she meets the criteria of independence as specified under Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Nomination and Remuneration Committee and the Board, Mrs. Rita Menon fulfils the conditions for appointment as Independent Director as specified in the Act, the Rules made thereunder and



the Listing Regulations and she is independent of the management of the Company.

Mrs. Rita Menon is interested in the resolution set out at Item No. 6 of the Notice. The relatives of Mrs. Rita Menon may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment.

**Item No. 7: Re-appointment of Mr. Satyananda Mishra (DIN: 01807198) as an Independent Director of the Company and continuation of directorship after attaining the age of 75 years**

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 4<sup>th</sup> November 2020 and the shareholders at their meeting held on 19<sup>th</sup> September 2021 had approved the appointment of Mr. Satyananda Mishra (DIN: 01807198), as an Independent Director for a period of 3 years from 4<sup>th</sup> November 2020 to 3<sup>rd</sup> November 2023.

Based on his skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board by resolution passed on 27<sup>th</sup> June 2023, has approved, subject to the approval of the shareholders, the re-appointment of Mr. Satyananda Mishra as an Independent Director for a second term of 3 years w.e.f. 4<sup>th</sup> November 2023 up to 3<sup>rd</sup> November 2026 and continuation of directorship of Mr. Satyananda Mishra after attaining the age of 75 years, during his tenure as an Independent Director of the Company. The brief profile and other particulars of Mr. Satyananda Mishra as required SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are annexed and forms part of this notice.

In terms of Regulation 17(1A) of the Listing Regulations, the continuation of directorship of any person as a Non-Executive Director, who has attained the age of seventy five years, requires approval of shareholders by way of a special resolution, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointment or continuation of directorship of such a person. The Board recommends the Special resolution in relation to the continuation of directorship of Mr. Satyananda Mishra as an Independent Director, even after he attains the age of 75 years till the expiry of his term

till 3<sup>rd</sup> November 2026, for the approval of the Members of the Company. Considering his vast experience, it is desirable that he should complete his tenure of 3 years as an Independent Director of the Company.

In the opinion of the Nomination and Remuneration Committee and the Board, Mr. Satyananda Mishra fulfils the conditions for his re-appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

A notice has been received in writing by a member under Section 160 of the Companies Act, 2013 proposing re-appointment of Mr. Satyananda Mishra as an Independent Director of the Company.

The Company has received in writing from Mr. Satyananda Mishra (i) consent for re-appointment; (ii) intimation to the effect that he is not disqualified from being re-appointed as Director in terms of Section 164(2) of the Act; and (iii) Form MBP-1 giving disclosure of interest (iv) declaration that he meets the criteria of independence as specified under Section 149 of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and he has confirmed that he is not aware of any circumstance or situation which exist or may be reasonably anticipated that could impair or impact his ability to discharge his duties..

Mr. Satyananda Mishra is interested in the Resolution set out at Item No. 7 of the Notice with regard to his re-appointment. The relatives of Mr. Satyananda Mishra may be deemed to be interested in the Resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above reappointment.

The Board accordingly recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the members.

By **Order of the Board of Directors**

**Sachin Patil**

Company Secretary

Date: 27<sup>th</sup> June 2023

Registered Office: 5<sup>th</sup> Floor, OSHWC Building,  
Pandit J N Marg, Bhubaneswar – 751 001

### Annexure-1

#### Details of the Director seeking appointment/re- appointment at the forthcoming Annual General Meeting.

Name of the Director	Saroj Kumar Poddar	Rita Menon	Satyananda Mishra
Date of Birth	15-09-1945	25-12-1951	17-01-1949
Age	77	71	74
Inter-se relationship with Directors of the Company	None	None	None
Date of First Appointment	05-02-2014	27-06-2023	04-11-2020
Qualification	Bachelor's degree in commerce from St. Xavier's College, University of Calcutta	MA (Economics) from Delhi School of Economics. Retired IAS Officer of 1975 batch.	Bachelor's and master's degree in English from Utkal University. Retired IAS Officer of 1973 batch.
Functional Expertise & Experience including brief resume.	Mr. Saroj Kumar Poddar is also the Chairman of the Adventz Group. He has served as the President of the Federation of Indian Chambers of Commerce and Industry and was also appointed as a member of the Board of Trade and a member of the Court of the Indian Institute of Science, Bangalore by the Government of India. He was also on the Advisory Council of N M Rothschild (India) Limited. He is also a recipient of the Rashtriya Samman award from the Central Board of Direct Taxes.	In her career as IAS officer she has worked in various positions like CMD of ITPO, Chairperson of TNTPO & KTPO, Joint Secretary to Secretary Positions at various Central Ministries, MD of UP Finance Corporation, Director at various central and private sector undertakings like BEL, GRSEL, Goa Shipyard Limited, Mazagaon Dock Limited, SIDBI etc.	Mr. Satyananda Mishra, a career civil servant and member of the IAS, has more than 4 decades of experience in Public Service. He has held various important positions in the Government of Madhya Pradesh, such as, Principal Secretary of Departments of Public Works, Revenue and Housing & Environment. He also held the positions of Development Commissioner of Small Scale Industries, Establishment Officer and Secretary, Department of Personnel & Training in the Government of India before he retired in September 2008.  He has served as Chairman of the Multi-Commodity Exchange of India Limited and as an Independent Director of SIDBI. At present, he is serving as a Director on the Boards of REVA University, Bangalore and the National Foundation of India.
In case of Independent Directors, Skills and capabilities required for the role	NA	Legal & compliance, corporate governance and industry knowledge	Strategic, Business Management Understanding of the relevant laws, rules, regulation policies applicable to the organisation /industry/ sector

Terms and Conditions of re-appointment	Re-appointment on retirement by rotation	As per Explanatory Statement	As per Explanatory Statement
Directorship held in other companies (excluding foreign companies & Section 8 companies) as on 31st March 2023.	<ul style="list-style-type: none"> <li>• Chambal Fertilisers and Chemicals Limited</li> <li>• Texmaco Rail &amp; Engineering Limited</li> <li>• Zuari Industries Limited</li> <li>• Texmaco Infrastructure &amp; Holdings Limited</li> <li>• Zuari Agro Chemicals Limited</li> <li>• Hepo India Private Limited</li> <li>• Hettich India Private Limited</li> <li>• Lionel India Limited</li> <li>• Adventz Finance Private Limited</li> <li>• Adventz Homecare Private Limited</li> <li>• Forte Furniture Products India Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Chambal Fertilisers and Chemicals Limited</li> <li>• Mangalore Chemicals &amp; Fertilisers Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Ugro Capital Limited</li> <li>• Invesco Trustee Private Limited</li> <li>• India International Depository IFSC Limited</li> </ul>
Listed entities from which the person has resigned in the past 3 years	-	-	63 Moons Technologies Limited
Membership/ Chairmanship of Committees of public Companies (includes only Audit Committee & Stakeholders Relationship Committee) as on 31st March 2023.	NA	Chambal Fertilisers and Chemicals Limited - Member of Audit & Chairman of Stakeholders Relationship Committee Mangalore Chemicals & Fertilisers Limited - Member of Audit & Stakeholders Relationship Committee	Ugro Capital Limited - Member of Audit & Stakeholders Relationship Committee
Shareholding in the Company, including shareholding as a beneficial owner.	Nil		Nil
Remuneration proposed to be paid	remuneration as approved by the members in AGM dt. 12 <sup>th</sup> September 2022	Sitting fee and remuneration as approved by the members in AGM dt. 12 <sup>th</sup> September 2022	Sitting fee and remuneration as approved by the members in AGM dt. 12 <sup>th</sup> September 2022

For other details such as number of meetings of Board of Directors attended during the year and remuneration last drawn i.e., as on 31<sup>st</sup> March 2023, please refer to the Corporate Governance Report (Annexure -A) to the Directors Report.

## Annexure -2

### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

**The voting period begins on Friday 22<sup>nd</sup> September 2023 at 10.00 AM (IST) and ends on Monday 25<sup>th</sup> September 2023 at 5:00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. 19<sup>th</sup> September 2023 may cast their vote electronically.**

Detailed steps on the process and manner for remote e-voting/e-voting at the AGM and to access the VC facility at the AGM, is given below:

#### **Step 1 :-> Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' 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 company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>





Type of shareholders	Login Method
	<p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 hold 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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<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. After Successful 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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	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 toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	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

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- 1) Click on "Shareholders" module.
- 2) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 3) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- 4) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN of the Company.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to

the Resolution.

- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutiniser for verification.

**(xiii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser at the email address [cs.sbhat@gmail.com](mailto:cs.sbhat@gmail.com) with a copy marked to the Company at the email address [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.



**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com). These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company

reserves the right to restrict the number of speakers depending upon the availability of time.

9. Only those shareholders, who are present in the 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES**

1. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
2. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.













## Paradeep Phosphates Limited

### Registered Office

5<sup>th</sup> Floor, Bayan Bhavan, Pandit Jawaharlal Nehru Marg,  
Bhubaneswar - 751 001, Odisha.

### The Address for Correspondence/Corporate Office

Paradeep Phosphates Limited,  
3<sup>rd</sup> Floor, Adventz Centre, 28 Union Street, Off Cubbon Road,  
Benagaluru- 560001, Karnataka

Email: [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com)



Mangalore Chemicals  
& Fertilizers Limited

Annexure 20A

**Details of payment made to BSE**

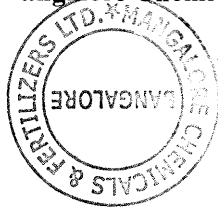
Complete Name of the remitter entity / person	Mangalore Chemicals & Fertilizers Limited
Address of the entity / person	Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bangalore, Karnataka, India, 560001
Date of remittance of fee	23/02/2024
Fee remitted (Rs.)	4,00,000/-
Transaction Reference no.	RATNH24054000690
Date of remittance of GST	23/02/2024
GST Amount (Rs.)	72,000/-
Transaction Reference no.	RATNH24054000690
GST Registration No.	29AABCM3599G1Z3
Name as appearing in GST Registration	Mangalore Chemicals & Fertilizers Limited
TDS Amount (Rs.)	40,000/-
Net amount remitted (Rs.)	4,32,000/-

Thanking you,

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS16651  
Place: Bangalore  
Date: 24/02/2024





Mangalore Chemicals  
& Fertilizers Limited

Annexure 20B


**Details of payment made to SEBI**

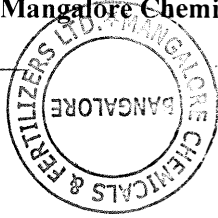
Complete Name of the remitter entity / person	Mangalore Chemicals & Fertilizers Limited
Address of the entity / person	Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bangalore, Karnataka, India, 560001
Date of remittance of fee	23/02/2024
Fee remitted (Rs.)	5,00,000/-
Transaction Reference no.	113189993138
Date of remittance of GST	23/02/2024
GST Amount (Rs.)	90,000/-
Transaction Reference no.	113189993138
GST Registration No.	29AABCM3599G1Z3
Name as appearing in GST Registration	Mangalore Chemicals & Fertilizers Limited
Total amount remitted (Rs.)	5,90,000/-

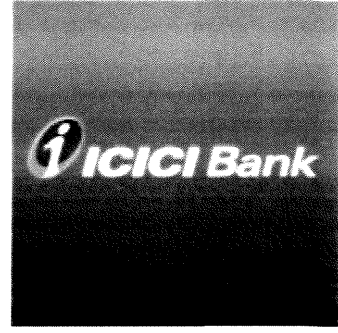
Thanking you,

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

  
Vighneshwar G Bhat  
Company Secretary  
ACS 16651  
Place: Bangalore  
Date: 24/02/2024





Receipt : 113189993138

Date : 2024-02-23 13:21:47

### Payer Details

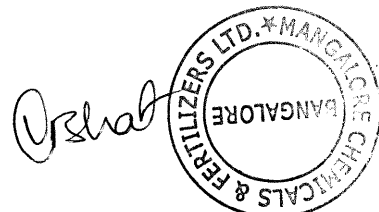
Name of the Payer : MANGALORE CHEMICALS AND FERTILIZERS LTD  
Pan Card Number : AABCM3599G  
Mobile No : 9980330330  
Email ID : subramani.g@adventz.com  
Address : Level 11 UB Tower UB City 24 Vittal Mallya Road  
Bangalore  
Pincode : 560001  
State : KARNATAKA  
Type of fee : NOC for Scheme of Arrangement  
Specify if you are a registered with GST ? : Yes  
GST Number : 29AABCM3599G1Z3  
State where GST is registered : KARNATAKA  
Other Remarks : NOC FOR SHCME OF ARRANGEMENT

### Fees Details

Enter Fee Amount : 500000  
SGST : 0  
CGST : 0  
IGST : 90000  
Total Amount : 590000

### Payment Details

Order ID : 2920641  
Tracking ID : 113189993138  
Currency : INR  
Payment Mode : Credit Card  
Card Name : Visa





Mangalore Chemicals  
& Fertilizers Limited

**Annexure 21**

**National Stock Exchange of  
India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
MUMBAI - 400 051

**BSE Limited**  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Report on unpaid dues/fines/penalties to be submitted in accordance with master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India in connection with the composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited, Paradeep Phosphates Limited and their respective shareholders and creditors.**

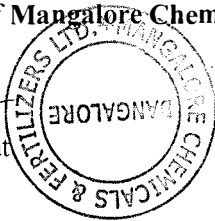
Sr. No.	Particulars	Details of dues/fine	Amount	Reason for non-payment
1	Pending Dues of SEBI	Nil	Nil	Nil
2	Pending Dues of Stock Exchanges	Nil	Nil	Nil
3	Pending Dues of Depositories	Nil	Nil	Nil

Thanking you,

Yours sincerely,  
For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

  
Vighneshwar G Bhat  
Company Secretary  
ACS16651

Place: Bangalore  
Date: February 24, 2024







Mangalore Chemicals  
& Fertilizers Limited

Annexure 22

**National Stock Exchange of  
India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
MUMBAI - 400 051

**BSE Limited**  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Undertaking in respect of no-objection certificates to be procured from lenders and to be filed with the stock exchanges pursuant to the draft composite scheme of arrangement by and amongst Mangalore Chemicals & Fertilizers Limited, Paradeep Phosphates Limited and their respective shareholders and creditors ("Scheme").**

We hereby confirm that we have initiated the process of obtaining the no objection certificates from the lending scheduled commercial banks/financial institutions/debenture trustees as required under Para A(2)(k) of Part I of master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India, and we shall submit the same with the BSE Limited and National Stock Exchange of India Limited before the receipt of the no-objection letter from the stock exchange in terms of Regulation 37(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

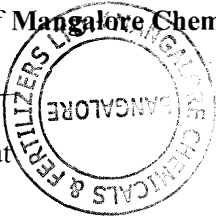
Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS16651

Place: Bangalore

Date: February 24, 2024





Mangalore Chemicals  
& Fertilizers Limited

Annexure 23

February 24, 2024

**BSE Limited**

Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Undertaking in relation to proposed composite scheme of arrangement by and amongst Mangalore Chemicals & Fertilizers Limited (the "Transferor Company"), Paradeep Phosphates Limited (the "Transferee Company") and their respective shareholders and creditors (the "Scheme")**

In connection with the above application, we hereby confirm that:

1. The Transferee Company will not issue/reissue shares not covered under the draft Scheme.
2. As on the date of the said application, there are no outstanding warrants/ instruments/ agreements of the Transferor Company which give right to any person to take the equity shares of the Transferor Company at any future date.

Thanking you,

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
Membership No. ACS16651  
Place: Bangalore  
Date: February 24, 2024





Mangalore Chemicals  
& Fertilizers Limited

Annexure 24

February 24, 2024

**National Stock Exchange of  
India Limited**  
Exchange Plaza, C 1, Block G,  
Bandra Kurla Complex, Bandra (E)  
MUMBAI - 400 051

**BSE Limited**  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Undertaking regarding the requirement to furnish no objection certificates / clearance from the sectoral regulators to be filed with the stock exchanges pursuant to the draft composite scheme of arrangement by and amongst Mangalore Chemicals & Fertilizers Limited ("Transferor Company"), Paradeep Phosphates Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme").**

The Transferor Company hereby confirms that no sectoral regulator's approval is applicable to the Transferee Company or the Transferor Company in relation to the proposed merger of the Transferor Company with and into the Transferee Company in terms of the Scheme.

Further, the Transferor Company and Transferee Company are in the process of notifying and seeking the approval of the Competition Commission of India ("CCI") in relation to *inter alia* the transactions contemplated under the Scheme. On receipt of such approval from the CCI, the Transferor Company and the Transferee Company will file the necessary application(s) with the jurisdictional National Company Law Tribunal(s) for sanction of the Scheme.

Yours sincerely,  
For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS 16651



Place: Bangalore  
Date: February 24, 2024



Mangalore Chemicals  
& Fertilizers Limited

Annexure 25

February 24, 2024

**BSE Limited**

Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Ref: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed composite scheme of arrangement by and amongst Mangalore Chemicals & Fertilizers Limited (the "Transferor Company"), Paradeep Phosphates Limited (the "Transferee Company") and their respective shareholders and creditors (the "Scheme")**

**Subject: Prior history of scheme of arrangement entered into by the Transferor Company**

The Transferor Company was incorporated on July 18, 1966. We hereby submit that the Transferor Company has entered into following scheme of arrangement prior to the said Scheme:

- The Transferor Company entered into the scheme of arrangement for amalgamation of MCF International Limited (its then wholly owned subsidiary) with and into the Transferor Company under Sections 391 to 394 of the Companies Act, 1956, with effect from the appointed date April 01, 2010. Such scheme of amalgamation was approved by the High Court of Karnataka by way of an order dated July 08, 2011. No shares were issued and allotted upon such amalgamation, since it was a merger of a wholly owned subsidiary with and into its holding company.

To the best of our knowledge, the Transferor Company has not entered into any other scheme of arrangement prior to the said Scheme.

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS 16651



Place: Bangalore  
Date: February 24, 2024



Mangalore Chemicals  
& Fertilizers Limited

Annexure 26

February 24, 2024

**BSE Limited**

Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

**Dear Sir/Madam,**

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed composite scheme of arrangement by and amongst Mangalore Chemicals & Fertilizers Limited (the "Transferor Company"), Paradeep Phosphates Limited (the "Transferee Company") and their respective shareholders and creditors (the "Scheme").**

The Transferor Company hereby confirms that the Scheme is in accordance with the memorandum of association and articles of association of the Transferor Company and the Transferee Company.

Yours sincerely,

For and on behalf of **Mangalore Chemicals & Fertilizers Limited**

Vighneshwar G Bhat  
Company Secretary  
ACS 16651



Place: Bangalore

Date: February 24, 2024