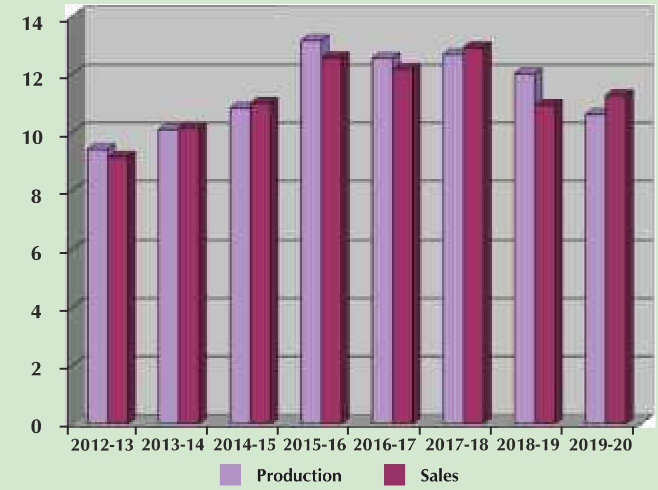
JAI KISAAN
NAVRATNA

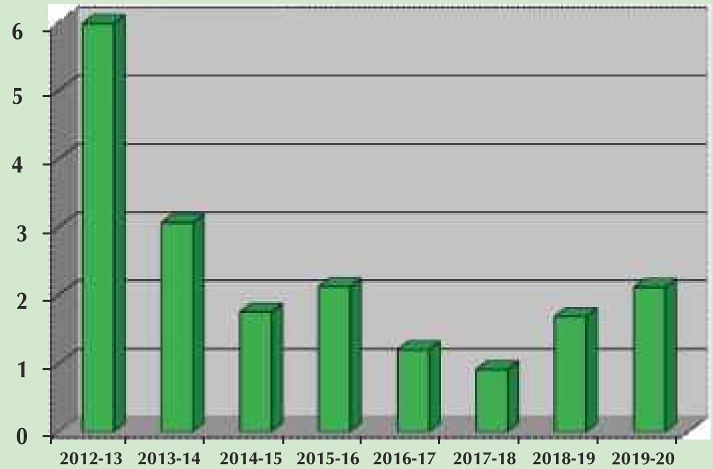
PARADEEP PHOSPHATES LIMITED

38th ANNUAL REPORT 2019-20

Production and Sales of Manufactured Fertilizers (MT in Lacs)



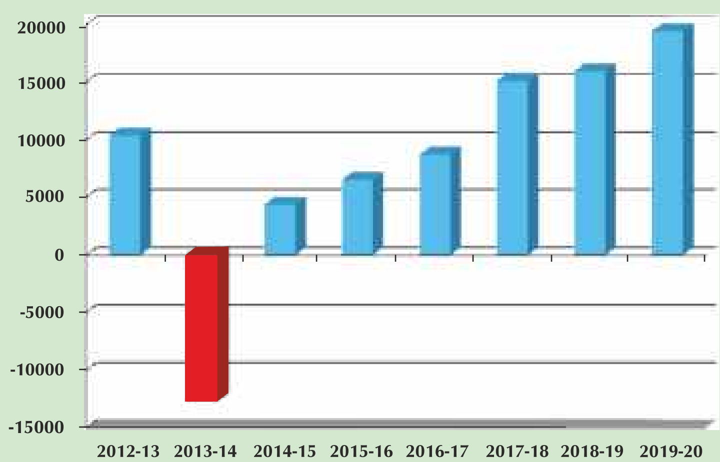
Sales of Traded Fertilizers (MT in Lacs)



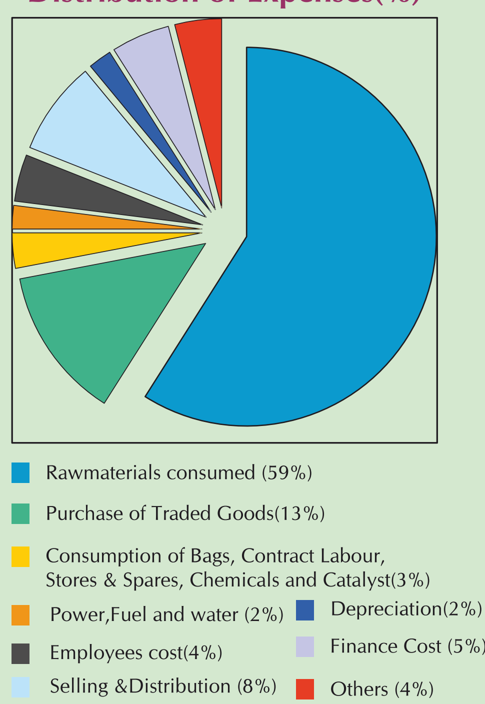
Revenue from Operations (₹ in lacs)

Net Worth (₹ in Lacs)

Profit after Tax (₹ in lacs)



Distribution of Expenses(%)



PARADEEP PHOSPHATES LIMITED

38th Annual Report
2019 - 20

INDEX

Corporate Information

BOARD OF DIRECTORS	:	Mr. S. K. Poddar, Chairman
	:	Ms. Ghislane Guedira, Director
	:	Mrs. Kiran Dhingra, Independent Director
	:	Mr. Marco Wadia, Independent Director
	:	Mr. Mohamed Belhoussain, Director
	:	Mr. Mohamed Soual, Director (w.e.f 3rd February 2020)
	:	Mr. Prabhas Kumar, Director
	:	Mr. Vinay Kumar Panday, Director (w.e.f 20th April 2020)
	:	Mr. N. Suresh Krishnan, Managing Director (w.e.f 16th February 2020)
SENIOR EXECUTIVES	:	Mr. Ranjit Singh Chugh, COO
	:	Mr. Harshdeep Singh, VP (Sales & Marketing)
	:	Mr. Pranab Bhattacharyya, CGM (Operations)
CHIEF FINANCIAL OFFICER	:	Mr. Sailesh Pati
COMPANY SECRETARY	:	Mr. Sisir K. Mishra (w.e.f. 9th August 2019)
AUDITORS	:	M/s. B S R & Co. LLP Chartered Accountants Godrej Waterside, Unit No. 603, 6th Floor, Tower 1, Sector V, Salt Lake, Kolkata, West Bengal – 700091, India
BANKERS	:	State Bank of India
	:	Canara Bank
	:	Punjab National Bank
	:	HDFC Bank
	:	ICICI Bank
	:	Axis Bank
REGISTERED OFFICE	:	5th Floor, Bayan Bhavan, Pandit Jawaharlal Nehru Marg Bhubaneswar - 751 001, Odisha
PLANT SITE	:	PPL Township Paradeep - 754 145 Dist. - Jagatsinghpur, Odisha

TEN YEARS' PERFORMANCE PROFILE

Particulars	10 - 11	11 - 12	12 - 13	13 - 14	14-15	15-16	16-17	17-18	18-19	19-20
A. PRODUCTION & SALES (in '000 MT)										
Production										
DAP and Complex	1199	1022	941	1008	1083	1315	1254	1267	1201	1061
% of capacity utilisation	**167**	**142**	**131**	**140**	**150**	**183**	**174**	**176**	**167**	**147**
Sales : Manufactured Fertilisers										
DAP and Complex	1169	1026	914	1015	1100	1257	1217	1291	1093	1126
Sales : Traded Fertilisers										
DAP and Complex	160	353	529	233	42	125	65	44	82	125
UREA	-	-	11	-	-	-	-	-	-	-
MOP	118	89	58	73	133	87	55	47	86	86
B. BALANCE SHEET (₹ in Lacs)										
Equity & Liabilities										
Authorised share capital	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000
Paid-up Capital	57545	57545	57545	57545	57545	57545	57545	57545	57545	57545
Reserve & Surplus	28500	46271	56630	44041	50956	58162	67082	81999	90735	102862
Liabilities (Current & Non Current)	141622	189131	331237	254123	252093	365868	326753	266368	405796	330407
Provisions (Current & Non Current)	9953	10616	8620	5681	5544	6542	7109	7238	8699	10272
Total	**237620**	**303563**	**454032**	**361390**	**366138**	**488117**	**458489**	**413150**	**562775**	**501086**
Assets										
Non Current:										
Fixed Assets (Tangible & Intangible)	22870	23984	29735	34575	36836	95499	93231	100789	102434	121403
Capital Work in Progress (2)	1475	5469	8991	32980	51874	15043	24341	21458	25481	14904
Deferred Tax Assets	2037	2756	(639)	-	3349	4918	3357	788	-	-
Other Assets	-	-	-	-	4307	6067	5291	5428	3322	4257
Current:										
Inventories	50023	67533	68476	54183	76402	70889	72447	65970	142182	107854
Trade Receivables	51764	155059	276551	176983	135867	233310	223249	191547	234215	214890
Cash & Bank Balances	62791	349	10560	4400	4848	3554	1512	2983	2012	582
Other Assets (Current & Non Current)	46660	48413	60358	58269	52655	58837	35061	24187	53129	37196
Total	**237620**	**303563**	**454032**	**361390**	**366138**	**488117**	**458489**	**413150**	**562775**	**501086**
C. NET WORTH (₹ in Lacs)	**86045**	**103816**	**114175**	**101586**	**108501**	**115707**	**124627**	**139544**	**148280**	**160407**
D. PROFIT & LOSS (₹ in Lacs)										
Revenue from Operations (Net)	352127	472608	527261	423107	415875	479836	369671	379657	435791	419287
Other income	4909	4593	6330	5820	5407	3917	5264	2013	3930	3491
Total	**357036**	**477201**	**533591**	**428927**	**421282**	**483753**	**374935**	**381669**	**439721**	**422778**
Expenses:										
Cost of Sales excluding Depreciation & Amortisation and Finance Cost	327015	444703	503511	419982	400829	455624	331788	337212	391637	373312
Earning before depreciation and amortisation, finance cost and Tax	**30021**	**32498**	**30080**	**8945**	**20453**	**28129**	**43147**	**44457**	**48084**	**49466**
Depreciation and amortisation expenses	2470	2445	2605	2474	3369	2897	5830	6182	7010	7248
Finance cost (Net)	3633	4127	14301	19881	13090	19256	24200	15923	15926	19179
Tax including Deferred Tax	9610	8155	6518	(639)	-	(225)	4426	7385	9082	3812
Taxation expenses credited	(3400)	-	(3703)	(182)	(339)	(308)	-	(91)	161	(178)
Net Profit/(Loss)	**17708**	**17771**	**10359**	**(12589)**	**4333**	**6509**	**8691**	**15058**	**15905**	**19405**
Other comprehensive income net of tax	**-**	**-**	**-**	**-**	**-**	**698**	**228**	**(141)**	**(231)**	**(341)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7207**	**8919**	**14917**	**15674**	**19064**

Notes :

1. Relevant Previous Years' figures have been re-arranged /regrouped, wherever necessary, to make them comparable with the Current Years' figures.
2. Includes other direct capital expenditure (pending allocation).

BOARD'S REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020
Under Section 134(3) of the Companies Act, 2013

To
The Members,
Paradeep Phosphates Ltd.

Your Directors have pleasure in presenting the 38th Annual Report on the business and operations of the Company together with the Audited Financial Statements and Auditors' Report for the financial year ended 31st March 2020 containing the matters as required under Section 134(3) of the Companies Act, 2013 (the Act) and Companies (Accounts) Rules, 2014 (the Rules).

1. Highlights of the Physical and Financial performance :

The highlights of the performance of your Company for the financial year ended 31st March 2020 are as under:

Physical performance : (in MT)

Description		2019-20	2018-19
Production:	DAP and NPK	**1060730**	1201470
	Phosphoric Acid	**262830**	293850
	Sulphuric Acid	**1008115**	1057320
	Captive Power Plant (MWH)	**183431**	184293
Sales :	DAP and NPK	**1126371**	1093378
	Sulphuric Acid (OWN + Purchased)	**90552**	58332
	Imported Fertilisers and other Traded Goods	**275387**	253685
	Gypsum incl. Neutralised Phospho Gypsum(NPG)	**914422**	834052

Financial performance : (₹ in Crore)

Description	2019-20	2018-19
Total Income	**4,227.78**	4,397.21
Profit / (Loss) before Finance Cost, Depreciation and Tax (EBITDA)	**494.66**	480.84
Less : Finance Cost	**(191.79)**	(159.25)
Less : Depreciation	**(72.48)**	(70.10)
Profit / (Loss) Before Tax	**230.39**	251.49
Less : Provision for Tax / including Deferred Tax	**(36.34)**	(92.44)
Add: Other Comprehensive Income	**(3.41)**	(2.31)
Total Comprehensive Income for the year	**190.64**	156.74

2. State of the Company's Affairs at the end of the year :

(₹ in Crore)

Description	2019-20	2018-19
EQUITY & LIABILITIES		
Shareholders' Fund :		
- Share Capital	575.45	575.45
- Reserves & Surplus	1,028.62	907.35
- Non-current Liabilities	188.51	265.62
- Current Liabilities	3,218.28	3,879.33
TOTAL EQUITY & LIABILITIES	**5,010.86**	**5,627.75**
ASSETS		
- Non-current Assets	1,405.65	1,312.37
- Current Assets	3,605.21	4,315.38
TOTAL ASSETS	**5,010.86**	**5,627.75**

3. Change in the nature of business of the Company:

There was no change in the nature of business of the Company during the year.

4. Amount which the Company recommends for payment by way of dividend:

Due to the economic uncertainties around COVID-19 pandemic, your Directors have not recommended any dividend for the financial year 2019-20. For the previous year final dividend @ 10% was recommended.

5. Amount which the Company proposes to carry to any reserves:

Board of Directors has not proposed to carry any amount to any reserve account during the year.

6. Particulars of Loans, Guarantees or Investments under Section 186 of the Act:

The Company has not given any loans, guarantees or made investments under Section 186 of the Act during the year.

7. Particulars of contracts or arrangements with Related Parties:

Transactions entered by the Company with its related parties were on an arm's length basis and/or in ordinary course of business. Suitable disclosures as required under Ind AS-24 have been made in Note No. 31 to the Financial Statements. The Company had not entered into any arrangement/ transaction with related parties which is material in nature and accordingly the disclosure of Related Party Transactions in Form AOC-2 is not applicable.

8. Details relating to the Deposits covered under Chapter-V of the Act:

The Company has not accepted deposits, covered under Chapter-V of the Act, in the past or during the year.

9. Details of Directors appointed / resigned during the year:

Mr. S. K. Poddar, Ms. Ghislane Guedira, Mr. Mohamed Belhoussain, Mr. Mohamed Soual, Mr. Suresh Krishnan are the nominees of Zuari Maroc Phosphates Pvt. Ltd.; Mr. Prabhas Kumar and Mr. Vinay Kumar Pandey (replacing Mr. Harvinder Singh w.e.f 20th April 2020) are the nominees of the Government of India on the Board of the Company. Mr. Marco P.A. Wadia and Mrs. Kiran Dhingra are on the Board of the Company as Independent Directors.

During the year the nominations of Mr. Mustapha El Ouafi, Mr. Sunil Sethy and Mr. Harvinder Singh were withdrawn from the Board by their respective nominating authorities.

Zuari Maroc Phosphates Pvt. Ltd. nominated Mr. Mohamed Soual and Mr. N Suresh Krishnan on the Board. Mr. Sunil Sethy ceased as the Managing Director of the Company and Mr. Krishnan was appointed as Managing Director, subject to approval of the shareholders at the ensuing Annual General Meeting.

Under the provisions of Section 152(6) of the Act, Mr. S K Poddar and Mr. Mohamed Belhoussain are liable to retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

10. Details of Key Managerial Personnel during the year:

Pursuance of Section 203 of the Act, the details of Key Managerial Personnel during the year is given below:

Ms. Asheeba Pereira resigned as Asst. Company Secretary and Mr. Sisir K Mishra, was appointed as Company Secretary w.e.f. 9th August 2019.

Mr. Sunil Sethy, Managing Director resigned from the post w.e.f. 15th February 2020 and Mr. N. Suresh Krishnan, was appointed as Managing Director w.e.f. 16th February 2020

11. Statement on declaration given by the Independent Directors under Section149(6) of the Act

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.

12. Board Meetings held during the year:

In compliance of the provisions in Section 173 of the Act, four Meetings of the Board of Directors of the Company were held during the year on 10th May 2019, 9th August 2019, 24th October 2019 and 3rd February 2020.

13. Company's Policy on Directors' Appointment and Remuneration:

The Nomination & Remuneration Committee of the Board was constituted with effect from 5th March 2015 in compliance of the requirements under Section 178 of the Act. Based on the recommendation of the Committee, the Board, at its Meeting held on 4th February 2016 had formulated a Nomination & Remuneration Policy containing the criteria for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel in addition to other matters as provided under Section178 of the Act.

14. Committees of the Board:

(a) Audit Committee

The Audit Committee was constituted in accordance with the provisions of Section177 of the Act. During the year the Audit Committee was reconstituted at the meeting of the Board held on 3rd February 2020 to :

Mr. Marco Wadia	- Chairman
Ms. Ghislane Guedira	- Member
Mrs. Kiran Dhingra	- Member

The Committee acts in accordance with the terms of reference specified by the Board. Four Audit Committee Meetings were held during the year on 10th May 2019, 9th August 2019, 24th October 2019 and 3rd February 2020.

(b) Corporate Social Responsibility (CSR) Committee

The CSR Committee was reconstituted by the Board on 3rd February 2020, consequent to the resignation of Mr Sunil Sethy and appointment of Mr N Suresh Krishnan. The CSR committee presently consists of the following Directors:

Mr. Marco Wadia	- Chairman
Mrs. Kiran Dhingra	- Member
Mr. N Suresh Krishnan	- Member

The Committee acts in accordance with the provisions of Section 135 of the Act and the Rules made thereunder. Two CSR Committee Meetings were held during the year on 10th May 2019 and 24th October 2019.

(c) Nomination & Remuneration Committee of the Board

The Nomination & Remuneration Committee was reconstituted by the Board on 3rd February 2020, consequent to the cessation of Mr. Mustapha El Ouafi and appointment of Mr Mohamed Soual. The CSR committee presently consists of the following Directors:

Mr. Marco Wadia	- Chairman
Mr. S. K. Poddar	- Member
Mrs. Kiran Dhingra	- Member
Mr. Mohamed Soual	- Member

The Committee acts in accordance with the provisions in

Section 178 of the Act. Three Nomination & Remuneration Committee Meetings were held during the year on 10th May 2019, 9th August 2019 and 3rd February 2020.

15. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

(I) in the preparation of the annual accounts for the financial year ended 31st March 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had 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;

(iii) the Directors had 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;

(iv) the Directors had prepared the annual accounts on a going concern basis, and

(v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. Performance evaluation of the Board, its Committees and Individual Directors:

Pursuant to the provisions of the Companies Act, 2013 the Nomination & Remuneration Committee and the Board of Directors have formulated a policy for evaluation of its own performance, of its various Committees and the individual Directors. The Board carries out evaluation in accordance with this Policy.

17. Auditors:

Under Section 139 of the Act and Rules made thereunder, M/s. BSR & Co. LLP, Chartered Accountants were appointed as Auditors of the Company for a period of five years commencing from the financial year 2017-18 upto 2021-22, who hold office from the conclusion of the 35th Annual General Meeting (AGM) of the Company until the conclusion of the 40th AGM. The Auditors' Report for the year 2019-20 does not contain any qualifications, reservations, adverse remark or disclaimer by the Auditors and hence do not call for any explanation or comments by the Board under Section 134(3)(f) of the Act.

18. Secretarial Auditors:

As required under Section 204 of the Act, the Company had appointed M/s. B. C. Debata & Associates, Practicing Company Secretaries, Bhubaneswar as Secretarial Auditor for the year 2019-20, who have submitted his Report which is annexed here to as **Annexure-A** and forms part of this Report. The Secretarial Audit Report does not contain any qualifications, reservations, adverse remark or disclaimer, hence do not call for any explanation or comments by the Board.

19. Cost Auditors:

Under Section 148 of the Act, M/s. S. S. Sonthalia & Co., Cost Accountants, Bhubaneswar were reappointed as Cost Auditors of the Company for the financial year 2019-20. The Cost Audit Report for the last financial year ended 31st March 2019 was filed with the Ministry of Corporate Affairs on 29th August 2019. The Company has made and maintained its accounts and cost records as specified by the Central Government under Section 148 of the Companies Act, 2013.

20. Internal Auditor:

Under Section 138 of the Act M/s. PricewaterhouseCoopers were appointed as the external auditor for Internal Audit functions for the year to work in conjunction with the Company's own Internal Audit Wing.

21. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information in accordance with the provisions of Section 134(3)(m) of the Act, read with the Rule 8(3) of the Companies (Accounts) Rules 2014, regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo etc. is annexed hereto as **Annexure-B** and forms part of this Report.

22. Risk Management Policy for the Company:

The Board has developed and implemented a Risk Management Policy for the Company. The Policy includes, interalia, the elements of risks which, in the opinion of the Board, may threaten the existence of the Company and their mitigation plans. The implementation of the Policy is being monitored by the Board from time to time.

23. Development and Implementation of Corporate Social Responsibility initiatives:

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-C** and forms part of this

Report. The Company has spent a sum of Rs.371.53 lakh as CSR expenditure during the year 2019-20 which is less than the minimum amount of Rs.404.12 lakh required to be spent under Section 135(5) of the Act. The unspent amount of Rs.32.59 lakh was carried forward, to be spent in addition to the next year's CSR budget. The carried forward CSR amount of Rs.76.14 lakh pertaining to the previous Financial Year was also spent during the year.

24. Extract of the Annual Return under Section 92(3) of the Act:

The extract of the Annual Return of the Company for the year, in form MGT- 9 under Section 92(3) of the Act is given in **Annexure –D**.

25. Adequacy of internal financial controls with reference to the Financial Statements:

The internal financial controls with reference to the Financial Statements of the Company for the year are adequate.

26. Material changes and commitments, if any, affecting the financial position of the Company occurred after the Balance Sheet date:

No such material changes and commitments occurred after the Balance Sheet date.

27. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future:

There was no such case happened during the year.

28. Name of the companies which became / ceased to be the Company's subsidiary, associate or joint venture and their Performance and financial position:

"Zuari Yoma Agri Solutions Limited", Myanmar continued as a 50:50 joint venture with Yoma Strategic Holdings Ltd. 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 – E**.

29. Establishment of Vigil Mechanism:

In compliance of the requirements under Section 177(9) of the Act, the Company had formulated a Vigil Mechanism which was in operation during the year.

30. New Projects:

Status of new projects during the year:

- Gypsum pond-II commissioned and taken in operation.
- Engineering work for 4th Evaporator of capacity 350 TPD is being taken up by Simon India Limited. Expected completion of project is December 2020.
- It was decided to put up 400 TPD Phosphoric acid plant by using Prayon Technology. Contract awarded to M/s Thyssenkrupp Industrial Solution India Pvt Limited / Prayon (Belgium). Basic engineering completed.
- The Company is in the process to revamp its DAP Plants. Basic engineering completed by M/s Jacobs, Lakeland (USA). Detailed engineering and procurement assistance contract was awarded to M/s Jacobs, Mumbai. Overall progress including engineering & procurement is about 92%. Major deliverables items i.e. Pumps, Centrifugal Fans, Transformers, polishing screen & field instruments are received at site. Site fabrication for Scrubber vessels & Pre-neutralization tank are completed. DAP-D Train revamp is in progress. Dismantling activities & erection of new equipment have commenced. The D train revamp is planned by August 2020.
- The Company has also carried out several infrastructure and improvement projects in Company's plant and township for providing better amenities to the employees.

31. Safety, Health and Environment:

Energy Management System ISO 50001 with an objective of conservation and efficiency improvement of energy and The Integrated Management System (QMS, EMS & OHSAS) and 5S which have already been implemented, continues to deliver results in terms of improvement. The following actions were undertaken during the year to improve safety, health and environment in the Plant:

(a) Safety Management: The Company has a strong focus towards better safety awareness and implementation of stringent systems and processes to ensure safety at work. The company also received Green tech foundation safety award and Kalinga safety excellence award.

(b) Environment Management: The Company has a robust mechanism in place to ensure that all the environmental parameters are maintained within the permissible limits. Company received consent to operate from OSPCB for operating new gypsum pond (GP-II).

The company has also received "Environment Protection Award" 2019 from Fertiliser Association of India and "IconSWM Excellence Award 2019" with 1st Position at the 9th International Conference on Sustainable Waste Management towards Circular Economy (IconSWM-CE 2019).

c) 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 health related matters.

32. Awards & Recognitions:

The Company won the following awards during the year 2019-20

- Best DAP Plant Award in FAI Annual Seminar – 2018
- Genentech Safety Award – 2018
- Kalinga Gold Safety Award – 2018
- Genentech Environment Award – 2018
- Brand Leadership Award-2019
- Odisha's Best Employer Award-2019.
- Highly prestigious Authorised Economic Operator (AEO) - Tier 2 status from the Directorate of International Customs.
- PPL has received CSR award with a trophy for meaningful contribution in CSR activities in Odisha in a glittering function organized by the Samaya.
- PPL owned the Brand of the Year - CSR Platinum Category award in Brands of Odisha. Pride of India - Sambad Corporate Excellence Awards 2020 from Hon'ble Chief Minister of Odisha in a grand programme at Bhubaneswar.
- PPL has received the best Leadership & Employer Award.
- PPL has received awards for its significant contribution in the field of CSR activities at "CSR HR Colloquium - 2019 organized by Odisha CSR Forum.
- PPL has received the International Icon Award for Solid Waste Management.
- PPL has received the Kalinga Safety Excellence Award in Odisha State Safety Conclave – 2019.
- PPL has received the IconSWM Excellence Award 2019 at the 9th International Conference on Sustainable Waste Management towards implementing effective Solid Waste Management and resources recovery towards environmental protection.
- HR Team bagged the first prize for Union Management Relationship under the Best HR Practices category in Zenith 2019 reward & recognition programme organised by NHRD, Bhubaneswar Chapter.

33. Human Resource:

The Company undertakes a plethora of HR initiatives starting from talent acquisition, development and retention for longer period. The wage agreement between the Company Management and unions-of both officers' and workmen signed ensuring industrial peace and harmony. The Company is declared as a Public Utility Service for a period of 6 Months from 18th February 2020. The Employee Engagement Initiatives are customized 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 accessed 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 his 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.

During the last Financial Year, there was no man days lost due to IR situation. Industrial Peace & Harmony maintained at Plant Site.

34. Prevention of Sexual Harassment:

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 program 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.

35.Statement of the Employees covered under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

The Statement of the Employees in receipt of remuneration beyond the limit prescribed under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as **Annexure-F** and forms part of this Report.

36. Acknowledgement:

Your Board of Directors takes 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 co-operation 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

Date : 18th June, 2020
Place : Dubai

S. K. PODDAR
CHAIRMAN
DIN - 00008654

ANNEXURE 'A' TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of 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-751001, Odisha

We 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 U24129OR1981PLC001020.** Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion there on.

Based on our 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/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on, 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 31st March, 2020 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) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of **Overseas Direct Investment.** There are no External Commercial Borrowings and Foreign Direct Investment during the year under review;

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable during the period under review.**

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - **Not applicable during the period under review.**

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable during the period under review.**

d) The Securities and Exchange Board of India (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not applicable during the period under review.**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable during the period under review.**

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, 2009 - **Not applicable during the period under review.**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable during the period under review.**

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Company being an Unlisted Public Limited Company has not entered into any Listing Agreement and hence not commented upon;

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

We 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 our 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.

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 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 carried out unanimously and recorded in the minutes of the respective meetings.

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

For B.C. DEBATA & Associates
Company Secretaries

B.C. DEBATA
Proprietor

Place: Bhubaneswar **FCS No: 4902**
Date: 18/06/2020 **CP No:12574**

(This report is to be read with our letter of event date which is annexed as **Annexure-A** and forms an integral part of this report.)

UDIN: F004902B000351721

Annexure A

To,
The Members
Paradeep Phosphates Ltd.
5th Floor, Orissa State Handloom Weavers'
Co-Operative Building, Pandit J.N Marg
Bhubaneswar-751 001, Odisha

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. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. We have conducted the audit based on the documents, information and clarifications received digitally online from the company since physical visit could not be made due to the COVID19 lockdown and restrictions in place during the period of audit. Wherever required, we 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

Place: Bhubaneswar
Date: 18/06/2020

FCS No: 4902
CP No:12574

ANNEXURE - 'B' TO THE BOARD'S REPORT

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(A) Conservation of Energy

(i) The steps taken or impact on conservation of energy

- Air Pre-heater was commissioned in DAP, A-train to eliminate the Furnace oil utilization for air pre- heating.
- Phase-wise replacement of conventional lights with LED lights continued.
- Use of fuel oil additive in DAP plant to bring down the consumption of furnace oil continued.
- Energy Efficient motors of IE3 grade are being procured to reduce power consumption.

(ii) The steps taken for utilising alternate sources of energy

- Heat recovery system in SAP-B stream was commissioned in the month of September 2018 which is producing additional 22 MT/Hr LP steam from acid heat. This will result in significant reduction in carbon foot print as the power import from grid will reduce.

(B) Technology Absorption

(i) The efforts made towards technology absorption and the benefits derived there from

- The Company has started detail engineering by Jacobs for revamping of DAP/NPK/NP plants, to achieve higher production, better quality and reduction of losses into environment.

(ii) 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 received to increase production by 15 T/H per train, reduce stack losses & improve product quality. Detailed engineering is in progress and its implementation in one train is planned by December 2019.

(iii) The expenditure incurred on Research & Development:

Our Company has a dedicated R&D Centre, which is recognized by the Department of Scientific and Industrial Research, Government of India. A number of R&D projects on technical improvements, product development and Phospho gypsum utilization were carried out and many more projects are in progress. The expenditure incurred during the year is Rs 100.10 lakh. The following R&D activities were taken up during the year:

- Improvement in high shear agitator life through design modification and by study of the correctness of current weld procedures by IIT Bhubaneswar.
- Development of new descaling reagent to improve working or campaign life of heat exchange tubes in PAP evaporator by IIT Bhubaneswar.

C) Foreign Exchange earning and Outgo

(₹ In crore)

	2019-20	2018-19
Foreign exchange outgo	2274.41	2355.49
Foreign exchange earnings	129.49	11.66

ANNEXURE - 'C' TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20
UNDER RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

Sl. No.	Item	Description
1	Under Rule 8 of The Companies (Corporate Social Responsibility Policy) Rules, 2014	CSR Policy of the Company includes the plans as mentioned below: i. Enhancing agricultural productivity and farmers' income through agricultural research, knowledge sharing, farmer education & training and demonstration of innovative techniques; ii. Promoting preventive healthcare, sanitation and making available safe drinking water. iii. Promoting education, including special education and employment, enhancing vocational skills especially among children, women, elderly, the differently abled and livelihood enhancement projects; iv. Promoting gender equality, empowering women, measures for reducing inequalities faced by socially and economically backward groups; v. Promoting environmental sustainability, ecological balance, protection of flora and fauna, agro forestry, conservation. vi. Promoting rural sports and nationally recognized sports; vii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief; viii. Rural development projects. The contents of the CSR Policy have been displayed on the Company's website.
2	The Composition of the CSR Committee.	CSR Committee of the Company as on 31st March 2020 consists of following Directors : Mr. Marco P. A. Wadia (Independent Director) - Chairman Mrs. Kiran Dhingra (Independent Director) - Member Mr. N. Suresh Krishnan (Managing Director) - Member
3	Average net profit of the Company for the last three financial years.	INR 20,206 Lakh
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	Rs. 480.26 Lakh (including carried forward amount of Rs.76.14 lakh)
5	Details of the CSR spent during the financial year -:	
	(a) Total amount spent	INR 447.69 Lakh
	(b) Amount unspent, if any (against Prescribed CSR Expenditure)	INR 32.59 Lakh
	(c) Manner in which the amount spent	As per the details attached.
6	The reasons for failure to spend the prescribed amount of 2% of the average net profit of the last 3 financial years.	Due to COVID 19 pandemic started in March'2020, activities were stalled, but the balance amount spent in April'2020 for supporting relief activities in the wake of COVID 19 in the state of Odisha
7	A responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.	CSR Committee confirms that the implementation and monitoring of CSR Policies is in compliance with the CSR Objective and Policy of the Company.

Date : 18th June 2020

N. SURESH KRISHNAN
MANAGING DIRECTOR
DIN- 00021965

MARCO P.A. WADIA
CHAIRMAN, CSR COMMITTEE
DIN- 00244357

Manner in which the CSR Expenditures were made during the financial year 2019-20

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sl. No.	**Name of Project/Projects**	**Sector in Which Project Covered**	**Project Location**	**Amount Outlay (Rs in lakh)**	**Amount Spent (INR)**	**Direct or through Agency**
1	Skill Development for youth	Paradeep	**Plant Periphery villages at Paradeep**	20,00,000	21,09,753	Agency Direct
2	Livelihood promotion for marginalised Houses	Paradeep		40,00,000	19,83,508	Agency
3	Education & Health	Paradeep		58,41,400	60,64,812	Agency
4	Water Sanitation & Hygiene	Paradeep		65,00,000	68,73,616	Agency
5	Environment & Biodiversity	Paradeep		25,00,000	25,55,298	Agency
6	Village Community Infrastructure Development	Paradeep		40,00,000	39,94,135	Agency
7	Emergency Relief support to poor in case of Disaster	Paradeep		8,00,000	6,37,794	Agency
			Sub - Total	**2,56,41,400**	**2,42,18,916**	
8	Women Empowerment	Paradeep	**Urban Slum around plant, Paradeep**	10,00,000	7,82,330	Agency
9	Livelihood promotion for women & Youth	Paradeep		10,00,000	11,17,081	Agency
10	Support for Household Energy needs (Renewable energy)	Paradeep		2,00,000	2,23,477	Agency
11	Community Development Initiatives	Paradeep		21,16,000	30,33,504	Agency
12	Skills Development, Livelihoods & Education	Paradeep		6,00,000	5,48,535	Agency
13	Support to Oldage and Children with no parental care	Paradeep		6,00,000	6,80,782	Agency
14	Health, Sanitation & Hygiene	Paradeep		6,00,000	4,74,254	Agency
			Sub - Total	**61,16,000**	**68,59,963**	
15	Overhead cost			12,68,600	11,90,242	Agency
			Sub -Total	**12,68,600**	**11,90,242**	
16	Contribution to Prime Minister's National Relief Fund & PM CARES Fund & Direct Support in the wake of Fani Cyclone & COVID 19			**1,50,00,000**	**1,24,99,744**	Direct
			Sub -Total	**1,50,00,000**	**1,24,99,744**	
			Grand Total	**4,80,26,000**	**4,47,68,865**	

For and on behalf of the CSR Committee

MARCO P.A. WADIA
CHAIRMAN, CSR COMMITTEE
DIN- 00244357

Date : 18th June 2020
Place : Mumbai

ANNEXURE - 'D' TO THE BOARD'S REPORT
FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS :

(i)	CIN	**U24129OR1981PLC001020**
(ii)	Registration Date	24th December, 1981
(iii)	Name of the Company	PARADEEP PHOSPHATES LIMITED
(iv)	Category / Sub-Category of the Company	Company Limited by Shares Indian Non-Government Public Company
(v)	Address of the Registered office & contact details	Orissa State Handloom Weavers' Co-operative Society Building, 5th Floor, Pandit Jawaharlal Nehru Marg, Bhubaneswar -751001, Odisha Phone No. 0674-6666100 E-mail ID : cs.ppl@adventz.com
(vi)	Whether listed company	No
(vii)	Name, Address and contact details of the Registrar and Transfer Agent, if any.	MAS Services Limited T-34, 2nd Floor,Okhla Industrial Area, Phase II,New Delhi - 110 020 Phone : 011 - 26387281 / 82 / 83 Fax : 011-26387384, E-mail : info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company -:

Sl. No	Name and Description of main Products / Services	NIC Code of the Product / service	% to total turnover of the Company
1	Di-Ammonium Phosphates (DAP)	20123	58%
2	Nitrogen Phosphate Potash (NPK)	20129	33%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Zuari Maroc Phosphates Pvt. Ltd. Orissa State Handloom Weavers' Co-operative Society Building, 5th Floor, Pandit Jawaharlal Nehru Marg, Bhubaneswar - 751001, Odisha, Phone No. 0674-6666100	U24124OR2002 PTC017414	Holding	80.45	2(46) and 2(87)
2	Zuari Yoma Agri Solutions Ltd. The Campus, 1 Office Park, Rain Tree Drive, Pun Hlaing Estate, Hlaing Thayar Township, Yangon, Myanmar.	Company Registration Number: 115665065	Joint – Venture	50	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(I) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	11,24,879	11	11,24,890	19.55	11,24,879	11	11,24,890	19.55	No Change
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	46,29,600	10	46,29,610	80.45	46,29,600	10	46,29,610	80.45	No Change
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	**57,54,479**	**21**	**57,54,500**	**100**	**57,54,479**	**21**	**57,54,500**	**100**	No Change
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks /FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total share - holding of Promoter (A) = (A) (1)+ (A) (2)	**57,54,479**	**21**	**57,54,500**	**100**	**57,54,479**	**21**	**57,54,500**	**100**	**100**
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions a) Bodies Corporate									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (2)	0	0	0	0	0	0	0	0	0
Total Public Share holding (B) = (B) (1) + (B) (2)	0	0	0	0	0	0	0	0	0
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**57,54,479**	**21**	**57,54,500**	**100**	**57,54,479**	**21**	**57,54,500**	**100**	**No Change**

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Zuari Maroc Phosphates Private Limited	46,29,610	80.45	0	46,29,610	80.45	0	No Change
2	President of India including Govt. of India Nominees	11,24,890	19.55	0	11,24,890	19.55	0	No Change

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Zuari Maroc Phosphates Private Limited**				
	(i) At the beginning of the year	46,29,610	80.45	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	46,29,610	80.45
2	**President of India including Govt. of India Nominees**				
	(i) At the beginning of the year	11,24,890	19.55	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	11,24,890	19.55

(iv) Shareholding Pattern of top ten Shareholders

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Zuari Maroc Phosphates Private Ltd.**				
	(i) At the beginning of the year	46,29,610	80.45	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	46,29,610	80.45
2	**President of India**				
	(i) At the beginning of the year	11,24,879	19.55	–	–
	(ii) Date - wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	11,24,879	19.54781
3	**Mr. Niranjan Lal, Director, Department of Fertilizers, Government of India**				
	(i) At the beginning of the year	00	0.00	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	02	0.000034
4	**Mr. Dharam Pal, Joint Secretary, Department of Fertilizers, Government of India**				
	(i) At the beginning of the year	02	0.000034	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	02	0.000034
5	**Mr. R. S. Yadav, Section Officer, Department of Fertilizers, Government of India**				
	(i) At the beginning of the year	02	0.000034	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	02	0.000034
6	**Mr. P. B. Sahu, Under Secretary, Department of Fertilizers, Government of India**				
	(i) At the beginning of the year	02	0.000034	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	02	0.000034
7	**Mr. Rakesh Kumar, Deputy Secretary, Department of Fertilizers, Government of India**				
	(i) At the beginning of the year	01	0.000016	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	01	0.000016
8	**Mr. Gurveen Sidhu, Joint Secretary, Department of Fertilizers, Government of India**				
	(I) At the beginning of the year	01	0.000016	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	01	0.000016
9	**Mr. Partha Sarthi Sen Sharma, Joint Secretary, Department of Fertilizers, Government of India**				
	(i) At the beginning of the year	00	0.00	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	01	0.000016
10	**Zuari Maroc Phosphates Pvt. Ltd., jointly with Mr. Suresh Krishnan, Director, Zuari Maroc Phosphates Pvt. Ltd.**				
	(i) At the beginning of the year	01	0.000016	–	–
	(ii) Date-wise Increase / Decrease	–	–	No change	No change
	(iii) At the end of the year	–	–	01	0.000016

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Zuari Maroc Phosphates Pvt. Ltd. jointly with Mr. Sailesh Pati, Chief Financial Officer**				
	(i) At the beginning of the year	01	0.000016	–	–
	(ii) Date-wise Increase / Decrease	–	–	–	–
	(iii) At the end of the year	–	–	01	0.000016
2	**Zuari Maroc Phosphates Pvt. Ltd., jointly with Mr. Suresh Krishnan, Managing Director**				
	(i) At the beginning of the year	01	0.000016	–	–
	(ii) Date-wise Increase / Decrease	–	–	–	–
	(iii) At the end of the year	–	–	01	0.000016

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,53,677.53	58,800.00	–	3,12,477.53
ii) Interest due but not paid	-	-	–	–
iii) Interest accrued but not due	366.37	841.96	–	1,208.33
Total (i +ii + iii)				
Change in Indebtedness during the financial year				
* Addition	8,47,792.06	-	–	8,47,792.06
* Reduction	(8,71,674.57)	(58,800.00)	–	(9,30,474.57)
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	2,29,795.02	-	–	2,29,795.02
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	665.5	-	–	665.50

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager :

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of MD / WTD / Manager	Name of MD / WTD / Manager	Total Amount
		Sunil Sethy, Managing Director (01/04/2019 to 15/02/2020)	N Suresh Krishnan Managing Director (16/02/2020 to 31/03/2020)	
1	Gross salary -	70,99,138	19,64,656	90,63,794
	(a) Salary as per provisions contained in section 17(1) of the Income - Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income - tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - - as % of profit - others, specify	-	-	-
5	Others- Retiral Benefits please specify	-	3,02,318	3,02,318
	Total (A)	70,99,138	22,66,974	93,66,112
	Ceiling as per the Act (5% of net profit)			11,51,95,000

(B) Remuneration to other Directors :

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of Directors		Total Amount
1	**Independent Director :**	Kiran Dhingra	Marco P.A Wadia	
	Fee for attending Board Meetings / Board Committee Meetings	3,50,000	3,50,000	7,00,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	-	-	-
2	**Other Non - Executive Directors :**	-	-	-
	Fee for attending Board Meetings / Board Committee Meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B) = (1 + 2)	-	-	-
	Total Managerial Remuneration	3,50,000	3,50,000	7,00,000
	Overall Ceiling as per the Act (1% of net profit)	-	-	-

(C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Amount in ₹)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		Asheeba Pereira, Asst. Company Secretary from 01/04/19 to 08/08/19	**Sisir Kumar Mishra, Company Secretary from 09/08/19 to 31/03/20**	Sailesh Pati, C F O from 1/4/2019 to 31/3/2020	Total
1	Gross salary :				
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	1,94,200	18,23,863	53,56,451	73,74,514
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income - Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission : - as % of profit - others, specify...	-	-	-	-
5	Others - Retiral Benefits	-	1,74,845	5,57,597	7,32,442
	Total	1,94,200	19,98,708	59,14,048	81,06,956

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

(Amount in ₹)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
OTHER OFFICERS IN DEFAULT					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

For Paradeep Phosphates Ltd

S. K. Poddar
Chairman
DIN-00008654

ANNEXURE 'E' 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 YomaAgri Solutions Limited
1. Latest audited Balance Sheet Date	31st March 2020
2. Shares of Associate / Joint Ventures held by the company on the year end	
No.	10,12,500
Amount of Investment in Joint Venture	$ 10,12,500
Extent 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	(1,140,053,743) in KYAT
6. Profit / Loss for the year	
i.Considered in Consolidation	(121,854,857) in KYAT
ii. Not Considered in Consolidation	(121,854,857) in KYAT

1. Names of associates or joint ventures which are yet to commence operations - Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil.

For Paradeep Phosphates Ltd

S. K. Poddar
Chairman
DIN-00008654

ANNEXURE 'F' TO THE BOARD'S REPORT

Statement of the Employees covered under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

(a) Employed throughout the financial year 2019-20 and in receipt of remuneration aggregating Rs. 1,02,00,000/- or more

Sl. No.	Name of the employee	Personnel No.	Designation	Remuneration received (Rs. in lakh)	Qualifications	Experience (years)	Date of commencement of employment	Age (years)	Last employment held	
									Employer's Name	Post held
2	Mr. Ranjit Singh Chugh	2734	Chief Operating Officer	155.03	B.Tech (Chem)	40	22.10.2018	61	Zuari Agro Chemicals Limited.	COO

(b) Employed for a part of the financial year 2019-20 and in receipt of remuneration aggregating Rs. 8,50,000/- per month or more

Sl. No.	Name of the employee	Personnel No.	Designation	Remuneration received (Rs. in lakh)	Qualifications	Experience (years)	Date of commencement of employment	Age (years)	Last employment held	
									Employer's Name	Post held
1	Mr. N. Suresh Krishnan	2796	Managing Director	22.67	BE (Hons.), Msc	33	16.02.2020	56	Zuari Agro Limited.	Managing Director

(1) In accordance with the clarification given by the Ministry of Corporate Affairs, remuneration has been computed on the basis of the actual expenditure incurred by the Company.

(2) None of the above employees was a relative of any Director or Manager of the Company.

(3) None of the above employees was in receipt of remuneration during the year which, in the aggregate, was in excess of that drawn by the Managing Director or Whole-Time Director and holds by himself or along with his spouse and dependent children, not less 2% of the equity shares of the Company.

For and on behalf of the Board of Directors

(S. K. PODDAR)
CHAIRMAN
DIN - 00008654

INDEPENDENT AUDITORS' 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 2020, 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 the 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 2020, 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 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.

Emphasis of matter

We draw attention Note No. 50 of the accompanying financial statements pertaining to receivables as at 31 March 2020, which includes an amount of Rs. 36,937.41 lakhs outstanding from Zuari Agro Chemicals Limited ("ZACL"). The Company's management has discussed a plan for settlement of its dues with ZACL and considers the amount to be recoverable. Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditors' 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 annual report, but does not include the financial statements and our auditors' 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' Responsibility 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 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 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 in the standalone financial statements 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 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 2020 on its financial position in its standalone financial statements - Refer Note 26 to the standalone financial statements;
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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) 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
Membership No. 055757
ICAI UDIN: 20055757AAAABO3740

Place : Kolkata
Date :18th June 2020

Annexure A to the Independent Auditors' Report – 31 March 2020
(Referred to our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification by which fixed assets are physically verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) In our opinion and according to information and explanations given to us by the management and on the basis of examinations of records of the Company, the title deeds of immovable properties are held in the name of the Company except for following amounts which are not held in the name of the company:

Particulars	Freehold Land
Gross block as at 31st March 2020	27.94 Lacs
Net block as at 31st March 2020	27.94 Lacs
Area	178.06 Acres

(ii) The inventory (excluding stock with third parties and 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. For goods in transit, subsequent goods receipt has been verified. In respect of inventories lying with third parties, these have substantially been confirmed by them.The discrepancies noticed on physical verification of inventory as compared to the book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made during the year. There are no loans, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Act are applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year in terms of the provisions of Sections 73 to Section 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Goods and Service tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities. As explained to us by the management, the Company did not have any dues on account of Sales-tax, Service tax, duty of excise and Value added tax.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at the 31 March 2020, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Services tax, Sales-tax, Service tax, duty of Custom, duty of Excise and Value added tax which have not been deposited by the Company on account of any dispute, except for the following:

Name of the statute	Nature of dues	Demand Amount (Rs in lacs)	Amount deposited in dispute (Rs in lacs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax demand	39.58	Nil	2008-09	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income tax demand	21.91	Nil	2009-10	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income tax demand	66.39	Nil	2010-11	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income tax demand	46.25	Nil	2016-17	Commissioner of Income-tax (Appeals)
Central Goods and Services Tax Act, 2017	Goods and Services Tax Demand	1,999.90	Nil	July 2017 to January 2018	Orrisa High Court
Central Sales Tax Act, 1956	CST demand on branch transfers and disallowance of export sales	10,420.51	2,000.00	2005-06	Sales Tax Appellate Tribunal
Central Sales Tax Act, 1956	CST Demand on Branch Transfers	2.44	Nil	2003-04	Joint Commissioner, Sales Tax Appeals
The Orissa Value Added Tax Act, 2004	Disallowance of Input tax credit	51.96	4.16	April 2016 – June 2017	Additional Commissioner (Appeals)
Maharashtra Value Added Tax Act, 2002	Disallowance of Input tax credit	1.96	0.11	2013-14	Sales Tax Appellate Tribunal
Central Sales Tax Act, 1956	Demand of Central Sales Tax	51.48	36.04	2013-14	Sales Tax Appellate Tribunal
Central Sales Tax Act, 1956	Demand of Central Sales Tax	26.67	9.87	2013-14	Sales Tax Appellate Tribunal
Custom Act, 1962	Demand of CVD and SAD on Sulphur which is not used in manufacture of fertilizer	123.42	10.00	2007-12	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Demand	50.02	5.01	2009-10, 2012-13, 2014-15 and 2015-16	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	234.14	17.56	2010-11	Customs Excise and Service Tax Appellate Tribunal

(viii)In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of loans and borrowings to financial institutions and banks. The Company does not have any loans or borrowings from government or debenture holders during the year.

(ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and based on our examination of records of the Company, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to information and explanation given to us, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given by the management and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of examination of 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, the provisions of clause 3(xiv) of the order are not applicable to the Company.

(xv) According to the information and explanations given by the management and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757
ICAI UDIN: 20055757AAAABO3740

Place : Kolkata
Date :18th June 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of Paradeep Phosphates Limited for the period ended March 31, 2020

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 Companies Act, 2013

(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 March 31, 2020 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 March 31, 2020, 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 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 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 Companies Act, 2013 (hereinafter referred to as "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 whether 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 such 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 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 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 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 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
Membership No. 055757
ICAI UDIN: 20055757AAAABO3740

Place : Kolkata
Date :18th June 2020

STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	**4**	**1,21,267.37**	1,02,338.08
(b) Capital work-in-progress	**4.1**	**13,856.56**	22,402.69
(c) Other direct capital expenditure (pending allocation)	**4.2**	**1,047.89**	3,078.74
(d) Intangible assets	**4.3**	**135.80**	95.55
(e) Investment in associate	**46**	**365.61**	9.01
(f) Other non-current assets	**6**	**1,740.66**	1,191.26
(g) Income tax assets		**2,150.64**	2,121.76
Total non-current assets		**1,40,564.53**	1,31,237.09
(2) Current assets			
(a) Inventories	**7**	**1,07,853.81**	1,42,182.23
(b) Financial assets			
(i) Trade receivables	**8**	**2,14,890.06**	2,34,214.53
(ii) Cash and cash equivalents	**9a**	**408.55**	1,873.96
(iii) Bank balances other than (ii) above	**9b**	**173.17**	137.46
(iv) Other financial assets	**5**	**14,365.18**	12,640.92
(c) Other current assets	**6**	**22,805.87**	40,464.52
Total current assets		**3,60,496.64**	4,31,513.62
(3) Assets classified as held for sale	**9c**	**24.58**	23.90
Total assets		**5,01,085.75**	5,62,774.61
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	**10**	**57,545.00**	57,545.00
(b) Other equity	**11**	**1,02,861.69**	90,735.26
Total equity		**1,60,406.69**	1,48,280.26

STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12a	13,942.24	21,887.94
(ii) Other financial liabilities	14	15.07	93.11
(b) Provisions	16	2,707.26	1,939.61
(c) Deferred tax	17	2,186.65	2,641.40
Total non-current liabilities		18,851.22	26,562.06
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12b	2,07,907.08	2,83,488.89
(ii) Trade payables	13		
- total outstanding dues of micro enterprises and small enterprises		172.14	53.52
- total outstanding dues of creditors other than micro enterprises and small enterprises		80,442.36	70,740.45
(iii) Other financial liabilities	14	14,037.57	17,747.60
(b) Other current liabilities	15	10,319.40	8,793.97
(c) Provisions	16	7,564.81	6,758.82
(d) Current tax liabilities		1,384.48	349.04
Total current liabilities		3,21,827.84	3,87,932.29
Total equity and liabilities		5,01,085.75	5,62,774.61
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 registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)
Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)
Place: Dubai

SISIR KUMAR MISHRA
Company Secretary
Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer
Place: Bhubaneswar

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

(Amount in Rupees lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
I	**REVENUE**			
I.	Revenue from operations	18	4,19,286.45	4,35,791.22
II.	Other income	19	3,491.14	3,930.11
III.	**Total Income (I+II)**		4,22,777.59	4,39,721.33
IV.	**EXPENSES**			
	Cost of raw materials consumed	20	2,21,014.06	2,84,763.83
	Purchase of traded goods		47,540.83	83,910.93
	Changes in inventories of finished goods, stock-in-trade and work in progress	21	25,857.41	(56,244.92)
	Employee benefits expense	22	13,192.79	13,057.87
	Finance costs	23	19,179.06	15,925.26
	Depreciation and amortization expense	24	7,247.59	7,009.74
	Other expenses	25	65,706.88	66,149.93
	Total expenses (IV)		3,99,738.62	4,14,572.64
V	**Profit before tax (III-IV)**		23,038.97	25,148.69
VI	**Tax expense**		(3,634.22)	(9,243.53)
(1)	Current tax	17	(4,084.22)	(5,528.68)
(2)	Deferred tax (charge)/credit	17	271.61	(3,553.80)
(3)	Income tax (expense)/credit for earlier years (net)		178.39	(161.05)
VII	**Profit for the year (V+VI)**		19,404.75	15,905.16
VIII	Other comprehensive income		(340.97)	(231.26)
	A Items that will be reclassified to profit or loss		-	-
	B Items that will not be reclassified to profit or loss		(340.97)	(231.26)
	Re-measurement gains/(losses) on defined benefit plans		(524.11)	(355.47)
	Income tax effect	17	183.14	124.21

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

(Amount in Rupees lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
IX	**Total comprehensive income for the year (VII + VIII)**		**19,063.78**	15,673.90
X	**Earnings per equity share:**			
	- Basic and diluted	**30**	**337.21**	276.40
	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 registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)

Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)

Place: Dubai

SISIR KUMAR MISHRA
Company Secretary

Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer

Place: Bhubaneswar

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities		
Profit before taxes	**23,038.97**	25,148.69
Adjustments for:		
Depreciation and amortisation expense	**7,247.59**	7,009.74
Finance costs	**18,264.61**	15,122.68
Interest income	**(902.75)**	(3,252.74)
Profit on sale of current investments	**-**	(48.03)
Loss on sale / discard of property, plant and equipment (net)	**815.05**	1,048.47
Provision for expected credit loss, claims and advances (net)	**740.52**	1,079.63
Bad debts, claims and advances written off	**10.10**	21.80
Unspent liabilities/provision no longer required written back	**(347.19)**	(318.36)
Foreign exchange fluctuation loss/(gain) unrealized (net)	**3,191.89**	(3,686.09)
Operating cash flow before working capital changes	**52,058.79**	42,125.79
Adjustments for:		
(Increase) / decrease in inventories	**34,328.42**	(76,212.16)
(Increase)/ decrease in trade receivables, loans and advances and other current assets	**18,573.85**	(43,768.90)
(Increase) / decrease in financial and other assets	**20,118.54**	(27,672.51)
Increase in trade payables, other current liabilities and provisions	**3,743.74**	16,029.70
Increase in provisions	**1,049.53**	1,104.67
Cash generated from / (used in) operating activities	**1,29,872.87**	(88,393.41)
Income taxes paid (net of refunds)	**(2,899.27)**	(3,642.44)
Cash generated from /(used in) operating activities (A)	**1,26,973.60**	(92,035.85)
B. Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**9.42**	6.35
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	**(13,904.81)**	(12,624.31)
Investments in associate	**(356.60)**	(9.01)
Proceeds from sale of mutual funds (net)	**-**	48.03
Interest received	**144.45**	1,788.48
Proceeds from/(investment in) deposits with maturity of more than three months	**(208.75)**	463.56
Net cash flow used in investing activities (B)	**(14,316.29)**	(10,326.89)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
C. Cash flows from financing activities		
Repayment of non-current borrowings	**(6,922.83)**	(5,901.46)
Proceeds from current borrowings	**8,47,792.06**	5,35,050.83
Repayment of current borrowings	**(9,27,178.30)**	(4,03,872.63)
Dividend paid	**(6,937.35)**	(6,937.35)
Interest paid	**(20,876.30)**	(16,494.39)
Net cash flow generated from / (used in) financing activities (C)	**(1,14,122.72)**	1,01,845.00
Net decrease in cash and cash equivalents (A+B+C)	**(1,465.41)**	(517.74)
Cash and cash equivalents at the beginning of the year #	**1,873.96**	2,391.70
Cash and cash equivalents at the end of the year #	**408.55**	1,873.96

As disclosed in Note 9(a).

The above standalone statement of cash flows has ben prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & CO. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)
Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)
Place: Dubai

SISIR KUMAR MISHRA
Company Secretary
Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer
Place: Bhubaneswar

Standalone Statement of Changes in Equity for the year ended 31 March 2020

(Amount in Rupees lakhs, unless otherwise stated)

(a) Equity Share Capital

Equity shares of Rs. 1000/- each issued, subscribed and fully paid	31 March 2020		31 March 2019	
	Number	**Amount**	Number	Amount
Balance at the beginning of the year	**57,54,500**	**57,545.00**	57,54,500	57,545.00
Issue of share capital (Note 10)	-	-	-	-
Balance at the end of the year	**57,54,500**	**57,545.00**	57,54,500	57,545.00

(b) Other equity

For the period ended 31 March 2020:

Particulars	Retained earnings (Note 11)	Total
Balance as at 1 April 2019	**90,735.26**	**90,735.26**
Profit for the year	**19,404.75**	**19,404.75**
Other comprehensive income for the year (net of tax)	**(340.97)**	**(340.97)**
Dividend including corporate dividend tax	**(6,937.35)**	**(6,937.35)**
Balance as at 31 March 2020	**1,02,861.69**	**1,02,861.69**

For the year ended 31 March 2019:

Particulars	Retained earnings (Note 11)	Total
Balance as at 1 April 2018	81,998.71	81,998.71
Profit for the year	15,905.16	15,905.16
Other comprehensive income for the year (net of tax)	(231.26)	(231.26)
Dividend including corporate dividend tax	(6,937.35)	(6,937.35)
Balance as at 31 March 2019	**90,735.26**	**90,735.26**

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 registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)
Place: Gurugram

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Chairman
(DIN- 00008654)
Place: Dubai

SISIR KUMAR MISHRA
Company Secretary
Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer
Place: Bhubaneswar

Notes to Standalone Financial Statements

1. Corporate Information

Paradeep Phosphates Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The Company is primarily engaged in the manufacture of 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. The Company is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. With its head office at Bhubaneswar and various regional offices across the country, the Company caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers.

These standalone financial statements were approved by the Board of Directors of the Company in their meeting held on 18 June 2020.

2. Significant Accounting Policies

2. (a) Basis of Preparation

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.

The financial statements of the Company are presented in Indian Rupee (Rs.) which is the functional currency of the Company and all values are rounded to the nearest lakhs (Rs. 00,000.00), except when otherwise indicated.

2. (b) Summary of significant Accounting Policies

i. Basis of classification of Current and 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 realized 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 realized 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 realization 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 related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. 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 net book value and net realisable value 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 recognized in the statement of profit and loss when the asset is derecognized.

Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is related to construction activity or are incidental thereto. Other indirect expenditure (including borrowing costs) 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:

Class of Assets	Useful Lives estimated by the management (Years)
Buildings	30 to 60
Roads and culverts	3 to 5
Plants and equipment (Continuous process plant)	25
Plant and equipment (Non continuous process plant)	5 to 20
Furniture, fixtures & fittings	2 to 10
Vehicles	8
Office equipments	3 to 6
Railway siding	15

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.

b. Premium on land held on leasehold basis is amortized 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. Insurance / capital / critical stores and spares is depreciated over the remaining useful life of related plant and equipment or useful life of insurance / capital / critical spares, whichever is lower.

e. 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 amortization 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 amortization period and the amortization 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 significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization 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 recognized in the statement of profit and loss when the asset is derecognized.

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 amortized 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 inventory and deferred tax 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. 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

Effective 1 April 2019, the Company has applied Ind AS 116 Leases for recognition and measurement of lease. The Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated and continued to be reported under Ind AS 17.

Policy applicable from 1 April 2019

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 coveys 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 recognizes 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 recognize 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 recognizes the lease payments associated with these leases as an expense of straight line basis over the lease term.

Refer note 2(b)(vi) – Significant accounting policies – leases in the audited standalone financial statements of the Company for the year ended 31 March 2019 for policy on leases in accordance with Ind AS 17. The impact of transition to Ind AS 116 under the modified retrospective approach is not material.

vii. Investment in associate

Investments in associates is carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required, immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the Statement of Profit and Loss.

viii. Foreign currency translation

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 (Rs.), 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.

ix. Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and options 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.

x. 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.

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.

xi. 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.

(a) 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 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.

Subsequent measurement

Financial assets in the nature of 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 recognized in the other comprehensive income (OCI). However, the Company recognizes 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 amortized 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 recognized 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.

(b) 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 or 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 or loss.

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.

xii. 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, which are subject to an insignificant risk of changes in value.

xiii. 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.

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.

xiv. Borrowing Costs

Borrowing costs include interest and amortisation of 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.

xv. 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 or services 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 or services 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 or services.

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 or services 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 or services. There is no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

The Company recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Subsidy income

Subsidy for DAP, Muriate of Potash (MOP) and Complex Fertilizers are recognized as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time. No subsidy is recognized on export of fertilizers.

Subsidy on freight charges for DAP, MOP and Complex Fertilizers is recognized 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 recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Claims receivable on account of interest from dealers on delayed payments and insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Dividend

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.

xvi. Government grants and subsidies

Grants and subsidies from the government are recognized 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 recognized 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 recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

xvii. Employee benefits

a. Defined Contribution Plans:

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 recognizes 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 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, for example, a reduction in future payment or a cash refund.

b. Defined Benefit Plan:

i. Liability for Gratuity, Post Employment Medical Benefits and Long Term Compensated Absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan has been funded by policy taken from Life Insurance Corporation of India. 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.

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.

xviii. Income Taxes

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). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly 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 items are recognised in correlation to the underlying transaction either in OCI or directly 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" and grouped under Deferred Tax. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

xix. 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.

xx. 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.

xxi. 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.

xxii. Provisions

A provision is recognized 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.

Recent Accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA"), notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. 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 recognized in the period in which the estimates are revised.

a) Income Taxes

Deferred tax assets are recognised for unused tax losses and tax credits to the extent it is probable that taxable profit will be available against which such losses and tax credits 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.

The Company based on profit projections is confident to have sufficient taxable income in future and hence has recognised deferred tax assets on carry forward losses and tax credit (MAT Credit Entitlement). Further details on taxes are disclosed in Note No – 17.

b) 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 No – 29.

c) 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 No – 4.

d) Fair value measurement of financial instruments.

Refer Note No – 40 for information about fair value measurement.

e) Revenue recognition

The Company provides various rebates and incentives to the customers. Various estimates are made to recognize the impact of rebates and other incentives on revenue. These estimates are made based on historical experience and business forecast and current market conditions.

4. Property, plant and equipment

₹ in Lakhs

Particulars	Leasehold Land	Freehold Land *	Buildings	Roads & Culverts	Plant and equipments	Furniture and fittings	Vehicles	Office Equipments	Railway Siding	Total
Cost (gross carrying amount)										
Balance as at 01.04.2018	39.84	584.90	14,773.66	208.77	97,782.83	298.92	299.65	633.70	500.36	1,15,122.63
Additions	-	-	22.32	198.85	7,104.27	44.31	164.41	242.44	198.46	7,975.06
Disposals	-	-	-	-	(1,286.00)	(4.86)	(18.80)	(28.46)	(40.90)	(1,379.02)
Adjustments (Refer note a)	-	-	-	-	1,700.39	-	-	-	-	1,700.39
Balance as at 31.03.2019	**39.84**	**584.90**	**14,795.98**	**407.62**	**1,05,301.49**	**338.37**	**445.26**	**847.68**	**657.92**	1,23,419.06
Additions	**-**	**-**	**20,317.88**	**71.57**	**2,302.75**	**12.33**	**50.97**	**170.09**	**-**	**22,925.59**
Disposals	**-**	**-**	**(50.30)**	**-**	**(948.37)**	**(2.99)**	**(29.25)**	**(177.07)**	**-**	**(1,207.98)**
Adjustments	**-**	**-**	**4,069.35**	**-**	**(22.26)**	**-**	**-**	**(10.79)**	**-**	**4,036.30**
Balance as at 31.03.2020	**39.84**	**584.90**	**39,132.91**	**479.19**	**1,06,633.61**	**347.71**	**466.98**	**829.91**	**657.92**	**1,49,172.97**
Accumulated depreciation										
Balance as at 01.04.2018	1.50	-	1,760.68	57.07	12,065.02	98.49	30.65	383.60	46.93	14,443.94
Charge for the year	0.44	-	594.14	11.97	6,136.99	40.87	49.78	102.61	25.79	6,962.59
Deductions	-	-	-	-	(304.63)	(2.05)	(9.35)	(4.69)	(4.83)	(325.55)
Balance as at 31.03.2019	**1.94**	**-**	**2,354.82**	**69.04**	**17,897.38**	**137.31**	**71.08**	**481.52**	**67.89**	**21,080.98**
Charge for the year	**0.44**	**-**	**649.53**	**46.79**	**6,298.95**	**43.42**	**54.46**	**88.53**	**33.94**	**7,216.06**
Deductions	**-**	**-**	**(17.16)**	**-**	**(195.63)**	**(2.45)**	**(12.89)**	**(154.69)**	**-**	**(382.82)**
Adjustments	**-**	**-**	**-**	**-**	**(0.90)**	**-**	**-**	**(7.72)**	**-**	**(8.62)**
Balance as at 31.03.2020	**2.38**	**-**	**2,987.19**	**115.83**	**23,999.80**	**178.28**	**112.65**	**407.64**	**101.83**	**27,905.60**
Net carrying amount										
Balance as at 31.03.2020	**37.46**	**584.90**	**36,145.72**	**363.36**	**82,633.81**	**169.43**	**354.33**	**422.27**	**556.09**	**1,21,267.37**
Balance as at 31.03.2019	37.90	584.90	12,441.16	338.58	87,404.11	201.06	374.18	366.16	590.03	1,02,338.08

* Conveyance deed / patta have been executed for 2104.05 acres against possession of 2282.11 acres of land.

a) Adjustments to gross carrying amount include:

Asset Description	Borrowing Cost		Exchange Fluctuation		Total	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Buildings	**4,069.35**	-	**-**	-	**4,069.35**	-
Plant and equipments	**-**	1,297.13	**-**	403.26	**-**	1,700.39
Total	**4,069.35**	1,297.13	**-**	403.26	**4,069.35**	1,700.39

b) Refer Note 12a and 12b relating to borrowings in respect of property, plant and equipment provided as security against those borrowings.

c) Refer Note 27 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4.1 Capital Work-in-progress

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Capital work-in-progress	**13,856.56**	22,402.69
Closing balance	**13,856.56**	22,402.69

4.2 Other direct capital expenditure (pending allocation)

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Opening balance	**3,078.74**	**2,973.79**
Employee benefits expense		
Salaries, wages and bonus	**151.76**	150.17
Contribution to provident and other funds	**8.92**	8.08
Staff welfare expenses	**3.22**	3.21
Other expenses		
Travelling and conveyance expenses	**2.65**	2.09
Finance costs		
Interest expenses	**2,171.26**	1,693.70
Bank charges	**-**	0.01
SUB-TOTAL	**5,416.55**	4,831.05
Less: Allocated to Property Plant and Equipment	**(4,368.66)**	(1,752.31)
Closing Balance	**1,047.89**	3,078.74

4.3 Intangible Assets

₹ in Lakhs

Particulars	Computer software	Total
Gross carrying amount		
Balance as at 01.04.2018	310.54	310.54
Additions	31.92	31.92
Balance as at 31.03.2019	342.46	342.46
Additions	68.71	68.71
Disposals	(8.44)	(8.44)
Adjustments	10.79	10.79
Balance as at 31.03.2020	**413.52**	**413.52**
Accumulated Amortization		
Balance as at 01.04.2018	199.76	199.76
Charge for the year	47.15	47.15
Balance as at 31.03.2019	246.91	246.91
Charge for the year	31.53	31.53
Deductions	(8.44)	(8.44)
Adjustments	7.72	7.72
Balance as at 31.03.2020	**277.72**	**277.72**
Net carrying amount		
Balance as at 31.03.2019	95.55	95.55
Balance as at 31.03.2020	**135.80**	**135.80**

5. Other Financial assets

₹ in Lakhs

Particulars	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	3,421.70	-
Other financial asset at amortised cost				
Claims receivable:				
Related parties (Refer note no. 31 (b))	-	-	6,516.72	10,458.57
Others	209.79	209.79	1,760.78	278.82
Less: Provision for doubtful claims receivable	(209.79)	(209.79)	-	-
Interest receivable on deposits, receivables, etc:				
Related parties (Refer note no. 31 (b))	-	-	2,556.74	1,798.05
Others	-	-	53.06	53.45
Other Receivables:				
Related parties (Refer note no. 31 (b))	-	-	56.18	52.03
Total other financial assets	-	-	14,365.18	12,640.92

6. Other assets
(Unsecured considered good unless otherwise stated)

₹ in Lakhs

Particulars	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Capital advances :				
Related parties (Refer note no. 31(b))	24.19	-	-	-
Others	814.13	457.81	-	-
Advance to vendors:				
Related parties (Refer note no. 31(b))	-	-	2.22	10,869.32
Others	-	-	857.51	450.90
Less: Provision for doubtful advances	-	-	(32.00)	(32.00)
Claims receivable	218.28	218.28	745.60	972.72
Less: Provision for doubtful claims receivable	(218.28)	(218.28)	-	-
Balance with statutory / government authorities	-	-	18,033.49	24,699.49
Prepaid expenses	145.05	18.16	473.10	792.23
Sales tax & entry tax deposits	8.01	8.01	2,596.52	2,578.52
Less: Provision for doubtful deposits	(8.01)	(8.01)	-	-
Other deposits				
Related parties (Refer note no. 31(b))	42.00	-	1.55	-
Others	715.29	715.29	127.88	133.34
Total other assets	1,740.66	1,191.26	22,805.87	40,464.52

7. Inventories (valued at lower of cost and net realizable value)

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Raw materials	34,981.23	44,631.90
Finished goods	35,749.81	62,629.25
Traded goods	12,524.09	23,707.84
Intermediates	6,013.48	6,870.21
Stores, spare parts, chemical and fuel oil	4,773.02	3,894.92
Packing materials	657.63	448.11
By-Products	13,154.55	-
Total	1,07,853.81	1,42,182.23

a) Inventories are pledged against the borrowings as further explained in Note 12a and 12b.

b) The cost of inventories recognised as expense includes Rs 375.23 lakhs (2018-19: Rs.76.93 lakhs) in respect of write down of inventories.

c) Inventories inlcudes inventories in transit as at the balance sheet as under:

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Raw materials	17,229.73	22,589.65
Finished goods	3,302.84	8,668.99
Traded Goods	928.54	2,501.14
Stores and spare parts including capital spares	1,176.85	176.10
Total	22,637.96	33,935.88

Break up of Inventories

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Raw materials		
Phosphoric Acid	8,975.26	24,344.20
Ammonia	7,016.91	6,441.57
Rock Phosphates	12,247.09	7,237.75
Sulphur	844.25	5,824.21
MOP	5,732.55	118.54
Ammonium Sulphate	-	545.92
Sulphuric Acid	0.19	0.19
Borax Pentahydrate	10.17	4.51
Zinc Sulphate	28.36	8.78
Others	126.45	106.23
Total	34,981.23	44,631.90
Finished goods		
DAP	14,446.47	43,261.10
NPK	21,053.02	19,127.39
Zypmite	250.32	240.76
Total	35,749.81	62,629.25
Traded Goods		
MOP	986.66	10,616.91
DAP and DAP Lite	9,467.34	11,687.94
NPK	711.28	-
Ammonia	1,211.57	1,245.90
Sulphuric Acid	0.19	0.19
SSP	-	4.94
SPN	146.67	151.96
City Compost	0.38	-
Total	12,524.09	23,707.84
Intermediates		
Phosphoric Acid	5,012.61	5,859.52
Sulphuric Acid	1,000.87	1,010.69
Total	6,013.48	6,870.21
By-Product		
Treated Gypsum (valued at net realisable value)	13,154.55	-
Total	13,154.55	-

8. Trade receivables (at amortised cost)

₹ in Lakhs

Particulars	Non Current		Current	
	31 March 2020	31 March , 2019	31 March 2020	31 March 2019
Trade receivables considered good - secured	-	-	457.77	266.47
Trade receivables considered good - unsecured	2,826.58	2,167.49	1,79,029.81	2,03,987.18
From related parties (Refer note no 31(b))				
Trade receivables considered good - unsecured	-	-	35,402.48	29,960.88
Total trade receivables	2,826.58	2,167.49	2,14,890.06	2,34,214.53
Less: Provision for impairment	(2,826.58)	(2,167.49)	-	-
Total trade receivables *	-	-	2,14,890.06	2,34,214.53

a) *Includes Subsidy receivable from GOI amounting to Rs 1,17,471.84 lakhs (31 March 2019: Rs 1,30,477.73 lakhs) net of provision of Rs 312.54 lakhs (31 March 2019: Rs 311.29 lakhs)

b) Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 12a and 12b.

c) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

d) 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.

e) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 41.

9a. Cash and cash equivalents

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
a. Balances with banks		
- On current accounts	120.88	70.95
– On cash credit accounts	287.48	1,802.69
b. Cash on hand	0.19	0.32
Total	**408.55**	**1,873.96**

9b. Bank balances other than above

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
In Term deposit account*	173.17	137.46
Total	173.17	137.46

*With original maturity of more than 3 months but not greater than 12 months and pledged with Executive Engineer, Mahanadi South Division as security deposit Rs.150.57 lakhs (31 March 2019:Rs137.46 lakhs) ; Rs.17.60 lakhs (31 March 2019:Nil) against bank gurantee issued in favour of Steel Authority of India Limited : Rs.5.00 lakhs (31 March 2019:Nil) against bank gurantee issued in favour of Regional Director, ESI Corporation, Bhubaneswar.

9c. Assets held for sale

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Discarded Property, Plant and Equipments	24.58	23.90
	24.58	23.90

Assets held for sale represent property, plant and equipment discarded. The Company expects to dispose it off in next one year.

10. Share Capital

₹ in Lakhs

Particulars	31 March, 2020	31 March, 2019
Authorised :		
80,00,000 (31 March 2019: 80,00,000) equity shares of Rs 1000/- each	**80,000.00**	80,000.00
20,00,000 (31 March 2019: 20,00,000) 7% Non-cumulative Redeemable preference shares of Rs 1000/- each	**20,000.00**	20,000.00
Issued, subscribed and fully paid-up shares :	**1,00,000.00**	1,00,000.00
57,54,500 (31 March 2019: 57,54,500) equity shares of Rs.1000/- each fully paid	**57,545.00**	57,545.00
Total	**57,545.00**	57,545.00

a. Reconciliation of Shares Outstanding at the beginning and end of the year

Equity Shares	31 March, 2020		31 March, 2019	
	In Numbers	₹ in lacs	In Numbers	₹ in lacs
At the beginning of the year	5,754,500	57,545.00	5,754,500	57,545.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**57,54,500**	**57,545.00**	**57,54,500**	**57,545.00**

b. Terms / Rights Attached to equity Shares

1) The Company has only one class of equity share having par value of Rs.1000 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.
3) The shares held by the GOI have the following additional rights :

   a) The GOI is entitled to nominate two directors on the Board of the Company so long as it holds at least 15.5% issued equity shares of the Company.

   b) The presence of at least one GOI nominee director is required to constitute a quorum in a board meeting, failing which the Meeting would be adjourned twice. Thereafter, in the absence of GOI nominee director, the directors present shall constitute the quorum.

   c) The above requirement is also applicable to constitute a quorum in shareholder's meeting.

   d) The resolution for certain important matters cannot be passed in a board meeting / shareholders' meeting without the affirmative vote of at least one GOI nominee director/shareholder."
4) The shares held by Zuari Maroc Phosphates Private Limited (ZMPPL)have the following additional rights :

   a) ZMPPL is entitled to nominate maximum 6 directors on the Board of the Company.

   b) The Chairman and the Managing Director shall be appointed from amongst the directors nominated by ZMPPL.

   c) ZMPPL is entitled to issue call option notice requiring GOI to sell ZMPPL all the equity shares held by GOI at a price which is higher of fair value or value quoted in stock exchange or Rs. 473.82 per share.

c. Shares held by its holding company are as below:

Name of Shareholder	31 March, 2020	31 March, 2019
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erst while known as Zuari Maroc Phosphates Limited (ZMPL))	**46,296.10**	46,296.10

d. Details of shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	31 March 2020		31 March 2019	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erst while known as ZMPL)	46,29,610	80	46,29,610	80
President of India - Government of India (GOI)	11,24,890	20	11,24,890	20

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 share.

11. Other Equity

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Surplus in the statement of profit and loss		
Opening balance	**90,622.04**	81,654.23
Net profit for the year	**19,404.75**	15,905.16
Appropriations- dividend (including dividend distribution tax)	**(6,937.35)**	(6,937.35)
Closing balance	**1,03,089.44**	90,622.04
Other Items of Other Comprehensive Income		
Opening balance	**113.22**	344.48
Adjustment for the year	**(340.97)**	(231.26)
Closing balance	**(227.75)**	113.22
Total reserves and surplus	**1,02,861.69**	90,735.26

Details of dividend and dividend distribution tax paid	31 March 2020	31 March 2019
Final dividend paid Rs.100 per share for the year ended 31 March 2019 (Rs.100 per share for the year ended 31 March 2018)	**5,754.50**	5,754.50
Dividend distribution tax paid	**1,182.85**	1,182.85

Surplus in the statement of profit and loss

Surplus in the statement of profit and loss represents the profit generated by the company that are not distributed to the shareholder and are re-invested in the company.

12a. Long term borrowings (at amortised cost)

(₹ in lakhs)

Particulars	Non-Current		Current Maturities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
NON CURRENT BORROWINGS				
Secured				
Rupee term loan from banks	13,942.24	20,882.55	6,947.40	5,928.22
Rupee term loan from financial institution	-	1,005.39	998.30	994.61
Total	13,942.24	21,887.94	7,945.70	6,922.83
Amount disclosed under the head "other financial liabilities" (Refer note 14)	-	-	(7,945.70)	(6,922.83)
Total	13,942.24	21,887.94	-	-

Nature of securities and terms of repayment of each loan and interest rate

Particulars of Loan	Security	Terms of Repayment	Effective Interest Rate
Rupee term loan from - Syndicate 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 of Rs 625 lakhs commenced from 31st May 2016.	9.60%
Rupee term loan from - HDFC 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 of Rs 375 lakhs commenced from 30th April 2016.	10.30%
Rupee term loan from financial institution - EXIM Bank Ltd.	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 of Rs 250 lakhs commenced from 30th April 2016.	10.30%
Rupee term loan from - ICICI Bank Ltd.	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 December 2018, of which first 8 instalments are of Rs 500 lakhs, next 4 quarterly instalments of Rs 1000 lakhs, remaining 8 quarterly instalments of Rs 1500 lakhs.	9.75%

12b. Short term borrowings (at amortised cost)

(₹ in lakhs)

Particulars	Current	
	31 March 2020	31 March 2019
From banks		
Secured		
Loans repayable on demand		
Cash credit	14,320.77	26,557.28
Other loans		
Working capital Demand loan	77,800.00	66,000.00
Rupee Loan	2,724.62	20,358.98
Buyer's credit	34,002.17	-
Supplier's credit	64,353.49	98,432.79
Local Bills Discounted with Bank	1,706.03	13,339.84
Other loans from bank	13,000.00	-
Unsecured		
Other loans from bank	-	58,800.00
	2,07,907.08	2,83,488.89

Nature of securities and terms of repayment of each secured & unsecured borrowings

Particulars of Loan	Due date of repayment from the balance sheet date	Interest rate	Amount	Nature of securities
Cash credit (secured)	Repayable on demand	in the range of 9.00% to 10.50%	14,320.77	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.
Working capital demand loan (WCDL) (secured)	Repayable over a period of 11 to 91 days	in the range of 8.00% to 9.50%	77,800.00	
Supplier's credit (secured)/ buyer's credit (secured)	Repayable over a period of 90 to 180 days	in the range of 6.00% to 8.50%	98,355.66	
Local Bills discounted with Bank (secured)	Repayable over a period of 91 to 180 days.	in the range of 7.50% to 8.50%	1,706.03	
Other Loans (secured)	Repayable over a period of 90 to 180 days.	in the range of 6.00% to 8.00%	13,000.00	
Rupee Loans (secured)	Repayable within 60 days	Nil	2,724.62	The loan is secured by hypothecation of subsidy receivable upto Rs.2,724.62 lakhs from Government of India.

13. Trade payables (at amortized cost)

(₹ in Lakhs)

Particulars	Current	
	31 March 2020	31 March 2019
Acceptances :		
Related parties (Refer Note No 31(b))	19,557.55	20,778.24
Others	42,784.11	21,301.33
Trade payables:		
- Total outstanding dues of micro enterprises and small enterprises*	172.14	53.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
Related parties (Refer note no 31(b))	4,909.97	16,877.65
Others	13,190.73	11,783.23
TOTAL	80,614.50	70,793.97

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 (MSME) 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:

Particulars	31 March 2020	31 March 2019
(I) the principal amount and interest thereon remaining unpaid at the end of financial year	172.14	53.52
(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 each accounting 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 each accounting 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	-	-

14. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	-	3,557.16
Total financial liabilities at fair value through profit or loss	-	-	-	3,557.16
Other financial liabilities at amortised cost				
Current maturities of long-term borrowings (Refer Note 12a)	-	-	7,945.70	6,922.83
Earnest money / security deposits				
Related parties (Refer Note No 31(b))	-	-	0.97	-
Others	-	-	1,830.42	1,450.58
Employee related dues	15.07	93.11	2,033.18	3,816.61
Creditors for propert, plant and equipment (including retention money from contractors/suppliers)				
Related parties (Refer Note No 31(b))	-	-	42.53	167.28
Others	-	-	1,519.27	624.77
Interest accrued but not due on borrowings	-	-	665.50	1,208.37
Total other financial liabilities at amortised cost	15.07	93.11	14,037.57	14,190.44
Total other financial liabilities	15.07	93.11	14,037.57	17,747.60

15. Other Current Liabilities

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Rebate liabilities	1,733.59	664.95
Interest on other dues	248.94	146.50
Statutory dues	7,430.54	7,237.99
Advance from customers	906.33	744.53
Total other current liabilties	10,319.40	8,793.97

16. Provisions (Current and Non-Current)

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits for:*				
Post retirement medical benefits	73.20	68.49	4.93	4.90
Gratuity (Refer note no 29)	2,012.82	1,225.72	196.62	121.29
Leave salary	-	-	4,267.50	3,709.39
Other provisions for:				
Contractors	621.24	645.40	-	-
Others (refer note 'a' below)				
- Capital expenditure	-	-	250.18	250.18
- Others	-	-	2,845.58	2,673.06
Total	2,707.26	1,939.61	7,564.81	6,758.82

* 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.

a) The movement for "Provisions – Others" during the year is as follows :-

(₹ in Lakhs)

Particulars	Capital expenditure For the year ended		Others For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening Balance	250.18	250.18	2,673.06	2,506.30
Additions during the year	-	-	172.52	166.76
Closing balance **	250.18	250.18	2,845.58	2,673.06
** Includes the following provisions				
Ground rent (refer note no. 33)	-	-	2,344.62	2,178.82
Land compensation (including interest) (refer note no. 35)	250.18	250.18	-	-
Employees' state insurance (refer note no. 36)	-	-	207.52	200.80
Provision for others (freight claims)	-	-	293.44	293.44
Total	250.18	250.18	2,845.58	2,673.06

17. Income Tax

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are:

Profit or loss section

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Current income tax:		
Current income tax charge for continuing operations	(4,084.22)	(5,528.68)
Adjustments in respect of current income tax of earlier years	178.39	(161.05)
Deferred tax:		
Relating to origination and reversal of temporary differences	271.61	(3,553.80)
Income tax expense reported in the statement of profit or loss	(3,634.22)	(9,243.53)

OCI section

Deferred tax related to items recognised in OCI during in the year:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Net loss on re-measurement of defined benefit plans and FVTOCI financial instruments	(524.11)	(355.47)
Income tax credited to OCI	183.14	124.21

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Accounting profit before tax from continuing operations	**23,038.97**	25,148.69
Accounting profit before income tax	**23,038.97**	25,148.69
At India's statutory income tax rate of 34.944%	**8,050.74**	8,787.96
	8,050.74	8,787.96
Tax effects of amount which are not deductible (taxable)		
in calculating taxable income-		
CSR expenditure	**156.44**	69.93
Interest on income tax	**36.96**	3.76
Club expenditure	**-**	0.82
Donation	**-**	2.63
On account of change in tax rate (Refer note 48)	**(4,324.81)**	93.17
Impact of claim of health and education cess	**(106.83)**	-
Tax impact on items reclassified from OCI to Profit and Loss	**-**	124.21
Others	**0.11**	-
Effective tax charge	**3,812.61**	9,082.48
Add: Tax impact for earlier years	**(178.39)**	161.05
Tax expenses as per the Statement of Profit and Loss	**3,634.22**	9,243.53

Deferred tax

Deferred tax relates to the following:

(₹ in Lakhs)

Particulars	Balance as at	
	31 March 2020	**31 March 2019**
Deferred income tax liabilities	**-**	
Property, plant and equipment (including other intangible assets)	**12,711.78**	16,120.28
On account of Statutory dues	**891.28**	887.77
Total deferred income tax liabilities	**13,603.06**	17,008.05
Deferred income tax assets		
Effect of provision for doubtful debts, advances & claim	**847.26**	920.97
Expenses allowable under income tax on payment basis	**4,940.72**	4,630.24
Provision for others	**819.31**	761.36
Deferred tax income		
Total deferred income tax assets	**6,607.29**	6,312.57
Net deferred tax Asset /(liabilities)	**(6,995.77)**	(10,695.48)
MAT Credit Entitlement	**4,809.12**	8,054.08
Total	**(2,186.65)**	(2,641.40)

Reconciliation of deferred tax liabilities (net):

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	**(10,695.48)**	(9,649.65)
Tax income/(expense) during the year recognised in profit or loss	**3,516.57**	(1,170.04)
Tax income/(expense) during the year recognised in OCI	**183.14**	124.21
Subtotal - A	**(6,995.77)**	(10,695.48)
MAT Credit Entitlement (MAT)		
Opening balance	**8,054.08**	10,437.84
Less: Adjusted during the year	**(3,244.96)**	(2,383.76)
Subtotal - B	**4,809.12**	8,054.08
Deferred Tax Total (A) + (B)	**(2,186.65)**	(2,641.40)

The Company has carried forward Rs 4,809.12 lakhs (31 March 2019: Rs 8,054.08 lakhs) of tax credit (Minimum Alternative Tax (MAT)) as MAT credit entitlement under Deferred Tax Assets, the credit of which would be available based on the provisions of Sec. 115JAA of the Income Tax Act 1961. The management based on the future profitability projections and also profit earned during the year is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above tax credit.

18. Revenue From Operations

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		-
Finished products	**2,28,393.62**	2,39,560.82
Traded goods	**51,211.00**	57,631.57
Waste including treated gypsum	**4,252.44**	3,690.68
	2,83,857.06	3,00,883.07
Subsidy from Government of India on fertilizers	**1,35,293.23**	1,34,757.41
	4,19,150.29	4,35,640.48
Other operating revenue		
Scrap sales	**136.16**	150.74
Total revenue from operations	**4,19,286.45**	4,35,791.22

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract price	**4,29,601.51**	4,40,972.41
Adjustments for:		
Variable consideration - rebates	**(10,315.06)**	(5,181.19)
Revenue from operations	**4,19,286.45**	4,35,791.22

Details of products sold :

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Finished products sold:		
DAP	1,38,000.47	1,47,856.49
NPK	85,713.16	86,250.66
Sulphuric Acid	2,760.39	3,414.64
Zypmite	-	0.47
Zypmite Plus	1,919.60	2,038.56
	2,28,393.62	2,39,560.82
Traded products sold:		
DAP and DAP Lite	18,220.60	19,844.07
NPK 10	5,953.85	-
NPK 12	2,546.66	-
MOP	14,568.25	12,798.69
City Compost	239.25	104.03
SPN	510.26	441.03
Ammonia	9,172.13	7,135.95
Phosphoric Acid	-	17,307.80
	51,211.00	57,631.57
Waste :		
Treated Gypsum	4,164.38	3,668.30
Neutralized Phospho Gypsum	-	0.82
HFC	88.06	21.56
	4,252.44	3,690.68

Subsidy from Government of India on fertilizers:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On finished goods [including freight subsidy Rs 17,082.00 lakhs (31st March 2019 Rs 16,301.84 lakhs)]	1,19,856.61	1,17,585.40
On traded goods [including freight subsidy Rs 2,324.03 lakhs (31st March 2019 Rs 2,865.84 lakhs)]	15,436.62	17,172.01
	1,35,293.23	1,34,757.41

19. Other income

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on		-
Bank deposits	11.69	7.77
Income tax refund	1,372.02	-
Others	891.06	3,244.97
Rent income	249.66	206.41
Excess provision/unclaimed liabilities/unclaimed balances written back	347.19	318.36
Profit on sale of current investments	-	48.03
Miscellaneous income	619.52	104.57
Total other income	3,491.14	3,930.11

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
In relation to financial assets classified at amortised cost	902.75	3,252.74
Total	902.75	3,252.74

20. Cost of raw materials consumed

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory at the beginning of the year	44,631.90	27,929.75
Add : Purchases	2,11,455.43	3,03,640.76
	2,56,087.33	3,31,570.51
Less: Inventory at the end of the year	(34,981.23)	(44,631.90)
Less: Traded goods transferred from raw materials	(104.54)	(2,517.06)
Add: Traded goods transferred to raw materials	12.50	342.28
Cost of raw materials consumed	2,21,014.06	2,84,763.83

21. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories at the end of the year		
Finished goods	35,749.81	62,629.25
Traded goods	12,524.09	23,707.84
Intermediates	6,013.48	6,870.21
Waste including treated gypsum	13,154.55	-
Total (A)	67,441.93	93,207.30
Inventories at the beginning of the year		
Finished goods	62,629.25	25,899.58
Traded goods	23,707.84	2,361.75
Intermediates	6,870.21	6,496.57
Waste including treated gypsum	-	29.70
Total (B)	93,207.30	34,787.60
Less:		
Traded goods transferred from raw materials	(104.54)	(2,517.06)
Traded goods transferred to raw material consumption	12.50	342.28
Total (C)	(92.04)	(2,174.78)
Net (B-A-C)	25,857.41	(56,244.92)

22. Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	10,613.38	10,736.52
Contribution to provident and other funds (Refer Note 29)	987.38	722.73
Gratuity (Refer Note 29)	337.36	264.00
Staff welfare expenses	1,254.67	1,334.62
Total	13,192.79	13,057.87

23. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	17,592.52	14,762.01
Exchange difference to the extent considered as an adjustment to borrowing cost	2,737.58	1,970.66
Bank charges	914.45	802.58
Interest on income tax	105.77	83.71
	21,350.32	17,618.96
Less: Interest capitalised to property, plant and equipment	2,171.26	1,693.70
Total finance cost	19,179.06	15,925.26

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
In relation to financial liabilities classified at amortised cost	17,592.52	14,762.01
Total	17,592.52	14,762.01

24. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	7,216.06	6,962.59
Amortisation of intangible assets	31.53	47.15
Total depreciation and amortization expense	7,247.59	7,009.74

25. Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
Consumption of stores and spare parts		3,079.55		3,050.07
Consumption of packing materials		3,462.08		3,622.87
Chemical consumed		1,166.94		1,198.72
Catalysts consumed		444.22		96.51
Payment to contractors for bagging and other services		3,371.30		3,965.96
Power and fuel		7,294.03		8,206.19
Water charges		605.73		557.51
Rent		249.31		280.54
Rates and taxes		68.10		52.79
Insurance		1,084.41		373.33
Repairs and maintenance:				
Plant and machinery	2,198.45		1871.65	
Buildings	636.45		516.93	
Others	440.48	3,275.38	365.96	2,754.54
Selling and distribution expenses:				
Freight and handling	27,028.95		28,920.26	
Warehouse rent	1,706.66		1,261.24	
Commission	575.18		293.09	
Publicity and sales promotion expenses	1,006.13		1,020.02	
Other selling expenses	280.66	30,597.58	80.12	31,574.73
Travelling and conveyance expenses		675.48		678.29
Professional, consultancy and legal expenses		277.49		779.41
Corporate social responsibility expenditure (Refer Note no 45)		447.69		200.16
Donation *		350.00		7.52
Payment to statutory auditors		92.88		90.17
Exchange differences (net)		5,040.12		4,164.84
Bad debts, claims and advances written off	72.03		343.34	
Less: Adjusted against provision	61.93	10.10	321.54	21.80
Provision for expected credit loss, claims and advances (net)		740.52		1,079.63
Loss on sale/discard of property, plant and equipment (net)		815.05		1,048.47
Miscellaneous expenses		2,558.92		2,345.88
Total other expenses		**65,706.88**		66,149.93

* Donation includes contribution to political party of Rs.350.00 lakhs during the year ended 31 March 2020, (Nil during the year ended 31 March 2019)

Payments to statutory auditors as

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As statutory auditors		
Audit fee	22.00	22.00
Tax audit fee	3.00	3.00
In other capacity:		
Other services	62.50	60.00
Reimbursement of expenses	5.38	5.17
Total	92.88	90.17

26) Contingent Liabilities not provided for -

(₹ in lacs)

		Particulars	As at 31 March 2020	As at 31 March 2019
A.		Income Tax Demands for the AY 2008-09 to 2016-17 against which the Company has filed appeal before CIT (A) / ITAT.	**286.07**	2,039.98
B.		Department of Fertilizer, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to Rs. 5,352.12 lakhs, 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 February 6, 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 18/11/2011 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.	**5,352.12**	5,352.12
C.		**Sales Tax and other tax matters under appeal**		
	i)	CST demand for the FY 2005-06 due to rejection of Branch transfers and export sales.	**10,420.51**	10,420.51
	ii)	Demand of entry tax on imported raw materials including interest and penalty.	**2,909.39**	2,909.39
	iii)	Demand under GST Act in respect of erroneous refund of GST for the period July 2017 to January 2018 under inverted structure.	**1,999.90**	-
	iv)	Countervailing Duty (CVD) paid and refund claimed on MOP and Sulphuric Acid, BCD on discount received and Custom duty on demurrage.	**109.97**	109.97
	v)	Service tax on mediation fees	**45.79**	45.79
	vi)	Central excise demand for March 2011	**234.14**	234.14
	vii)	VAT demand for the year 2005-06 in Bihar region on account of VAT assessment.	**37.69**	37.69
	viii)	CST demand for Telangana for non-submission of declaration forms.	**51.48**	51.48
	ix)	VAT demand for Odisha due to input tax credit mismatch	**51.96**	51.96
	x)	VAT demand for Maharashtra due to input tax credit mismatch	**1.96**	-
	xi)	CST demand for Maharashtra for non-submission of declaration forms.	**26.67**	-
	xii)	Others	**173.75**	175.98

(₹ in lacs)

		Particulars	As at 31 March 2020	As at 31 March 2019
D.	Other Claims against the Company not acknowledged as debts			
	i)	Penal Interest on loan from Government of India, due to delay	**344.43**	344.43
	ii)	Industrial Dispute and Miscellaneous labour cases pending at various forums at different stages of dispute.	**452.36**	438.34
	iii)	Interest on water charges due to delay in payments	**1,394.93**	1,050.59
	iv)	Demand towards contribution to Water Conservation Fund	**2,322.50**	2,322.50
	v)	Others	**58.31**	54.41

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.

27) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 10,151.74 lakhs (Previous year Rs. 5,163.76 lakhs).

28) Segment Reporting

(a) Operating Segment :

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) Geographical Segment:

The Company primarily operates in India and therefore no geographical segment information has been provided herein.

29. Disclosure in respect of Post Retirement Employee Benefits

A. Defined contribution plans

The amount provided for defined contribution plans are follows:

(₹ in lakhs)

Particulars	For the year ended March 31 2020	For the year ended March 31 2019
Pension Scheme	143.47	140.32
Superannuation Fund	137.31	120.74
National Pension Scheme	60.09	49.75
Total	**340.87**	310.81

B. Gratuity and other post-employment benefit plans:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Gratuity Plan - (Liability)	(2,209.44)	(1,347.01)
Provident Fund - Asset *	227.35	229.54
Post retirement medical benefits plan - (Liability)	(78.13)	(73.39)
Total	**(2,060.22)**	(1,190.86)

* Plan asset of Rs. 227.35 lakhs (31 March 2019: Rs. 229.54 lakhs) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

a) 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. In particular, the Company is exposed to interest rate risk, adverse salary growth risk, demographic risk and market risk i.e. investment risk.

b) 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.

c) Provident Fund

The Company has set up provident fund trust wherein contributions are made. However inaccordance with Ind-AS 19, Employee Benefits, 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 , acturial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary Society of India.

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:

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020 :

(₹ in lakhs)

Particulars	1 April 2019	Current service cost	Past service cost	Net interest expense / income	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Other adjustments	Contributions by employer	31 March 2020
	Cost charged to statement of profit or loss						Remeasurement gains/(losses) in OCI							
(A) Gratuity plan:														
Defined benefit obligation	(4,831.80)	(232.75)	-	(375.26)	(608.01)	460.68	-	0.20	(68.12)	(414.00)	(481.92)	-	-	(5,461.05)
Fair value of plan assets	3,484.79	-		270.65	270.65	(460.68)	(43.15)	-	-	-	(43.15)	-	-	3,251.61
Benefit (liability)	**(1,347.01)**				**(337.36)**	**-**					**(525.07)**	**-**	**-**	**(2,209.44)**
(B) Post retirement medical benefits plan:														
Defined benefit obligation	(73.39)	-		(5.70)	(5.70)	-	-	(0.39)	(6.67)	8.02	(0.96)		-	(78.13)
Benefit (liability)	**(73.39)**				**(5.70)**						**(0.96)**		-	**(78.13)**

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2019:

(₹ in lakhs)

Particulars	1 April 2018	Current service cost	Past service cost	Net interest expense / income	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Other adjustments	Contributions by employer	31 March 2019
	Cost charged to statement of profit or loss						Remeasurement gains/(losses) in OCI							
(A) Gratuity plan:														
Defined benefit obligation	(3,850.17)	(229.27)	-	(298.18)	(527.45)	170.49	-	2.92	(55.34)	(255.94)	(308.36)	(316.31)	-	(4,831.80)
Fair value of plan assets	3,401.76	-		263.45	263.45	(170.49)	(24.26)	-	-	-	(24.26)		14.33	3,484.79
Benefit (liability)	**(448.41)**				**(264.00)**	**-**					**(332.62)**	**(316.31)**	**14.33**	**(1,347.01)**
(B) Post retirement medical benefits plan:														
Defined benefit obligation	(46.91)	-		(3.63)	(3.63)	-	-	-	(23.32)	0.47	(22.85)	-	-	(73.39)
Benefit (liability)	**(46.91)**				**(3.63)**						**(22.85)**	**-**	**-**	**(73.39)**

Provident Fund:

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020 and March 31 2019:

(₹ in lakhs)

Particulars	2019 - 2020			2018 - 2019		
	Defined benefit obligation	Fair value of plan assets	Benefit asset	Defined benefit obligation	Fair value of plan assets	Benefit asset
Opening balance	**(17,908.40)**	**18,137.94**	**229.54**	(16,207.17)	16,367.75	160.58
Service cost	(664.69)	-	(664.69)	(457.45)	-	(457.45)
Net interest (expense)/income	(1,498.97)	1,568.93	69.96	(1,459.89)	1,399.44	(60.45)
Benefits paid	2,604.01	(2,604.01)	-	1,796.33	(1,796.33)	-
Return on plan assets (excluding amounts included in net interest expense)	-	(37.32)	(37.32)	-	35.69	35.69
Actuarial changes arising from changes in financial assumptions	-	-	-	-	-	-
Experience adjustments	(30.88)	-	(30.88)	(11.28)	-	(11.28)
Settlement/ transfer in	(149.33)	145.38	(3.95)	(373.38)	478.38	105.00
Contributions by plan participant / employees	(1,476.00)	1,476.00	-	(1,195.56)	1,195.56	-
Contributions by employer	-	664.69	664.69	-	457.45	457.45
Closing balance	**(19,124.26)**	**19,351.61**	**227.35**	(17,908.40)	18,137.94	229.54

The Company expects to contribute Rs.288 lakhs (31 March 2019 : Rs 241 lakhs) and Rs.718 lakhs (31 March 2019 : Rs.458 lakhs) to gratuity trust and provident fund trust respectively in the next financial year.

The principal assumptions used in determining gratuity, provident fund and post-employment medical benefit obligations for the Company's plans are shown below:

Particulars	31 March 2020	31 March 2019
	%	%
Discount rate:		
Gratuity plan	6.85	7.75
Provident Fund	6.85	7.75
Post retirement medical benefits	6.70	7.75
Future salary increase:		
Gratuity plan	8% for first two years and 6.5% thereafter	9% for first two years and 7.5% thereafter

A quantitative sensitivity analysis for significant assumptions as at 31 March 2020 is shown below:

Gratuity plan:

Particulars	31 March 2020		31 March 2020	
Assumption	**Discount rate**		**Future salary increase**	
Sensitivity Level	1% Increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	(326.91)	366.09	310.63	(308.85)

Provident Fund

Particulars	31 March 2020	
Assumption	**Interest rate guarantee**	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	1,128.33	(95.48)

Post retirement medical benefits plan:

Particulars	31 March 2020	
Assumption	**Discount rate**	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	(6.37)	7.36

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated.

A quantitative sensitivity analysis for significant assumptions as at 31 March 2019 is shown below:

Gratuity plan:

Particulars	31 March 2019		31 March 2019	
Assumption	**Discount rate**		**Future salary increase**	
Sensitivity Level	1% Increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	(305.77)	342.63	310.95	(301.21)

Provident Fund

Particulars	31 March 2019	
Assumption	**Interest rate guarantee**	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	1,006.55	(55.29)

Post retirement medical benefits plan:

(₹ in lakhs)

Particulars	31 March 2019	
Assumption	**Discount rate**	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	(5.84)	6.74

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.

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting period is 6 years.

Investment pattern in plan assets:

Particulars		Gratuity		Provident fund	
		2019-20	2018-19	2019-20	2018-19
Investment with insurers/Govt Securities/ Corporate bonds/Equity shares/ Equity oriented mutual funds		100%	100%	100%	100%

Maturity Profile of Defined benefit obligation:

(₹ in lakhs)

31 March 2020	Within next 12 months	Between 2 and 5 years	Between 6 and 10 years	Beyond 10 Years
Gratuity	485.98	2,798.95	3,360.61	2,624.70
Post retirement medical benefits plan	4.93	21.37	29.54	84.91

31 March 2019	Within next 12 months	Between 2 and 5 years	Between 6 and 10 years	Beyond 10 Years
Gratuity	435.05	2,148.60	3,398.77	3,212.28
Post retirement medical benefits plan	4.89	21.32	29.86	93.12

30) Earnings per share (Basic and Diluted)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to the equity shareholders of the Company (Rs. in lakhs)	**19,404.75**	15,905.16
Weighted average number of equity shares - Nominal value of share at Rs. 1000/- per share	**57,54,500**	57,54,500
Earnings per share (Basis and Diluted) (Rs.)	**337.21**	276.40

31) Related party disclosures

a) Name of Related Parties

i) Holding Company
Zuari Maroc Phosphates Private Limited

ii) Joint Venturer of the Holding Company
Zuari Agro Chemicals Limited
OCP S.A, Morocco

iii) Subsidiary of the Joint Venturer of the Holding Company
Mangalore Fertilizers and Chemicals Ltd

iv) Party having significant influence
Indian Furniture Products Limited
Zuari Management Services Limited
Zuari Insurance Broker Limited
Zuari Infraworld India Limited
Zuari Rotem Speciality Fertilizers Ltd
Simon India Ltd
Phosphates De Boucraa SA
Pakistan Maroc Phosphore
Jorf Fertiliser SA
Adventz Finance Private Limited

v) Joint Venture of Joint Venturer of the Holding Company
Indo Maroc Phosphore SA, Morocco

vi) Associate of the Company
Zuari Yoma Agri Solutions Limited

vii) Key Managerial Personnel
Mr. N. Suresh Krishnan, Managing Director (w.e.f. 16 February 2020)
Mr. Sunil Sethy, Managing Director (up to 15 February 2020)
Mr. Sailesh Pati, Chief Financial Officer
Mr. Ranjit Singh Chugh, Chief Operating Officer
Mr. Suvendu Kumar Kar, Asst. Company Secretary (up to 1 October 2018)
Ms. Asheeba Pareira, Asst. Company Secretary (w.e.f. 5 February 2019 up to 8 August 2019)
Mr. Sisir Kumar Mishra, Company Secretary (w.e.f. 9 August 2019)

viii) Directors
Mr. Marco P.A Wadia, Independent Director
Mrs. Kiran Dhingra, Independent Director

ix) Enterprise where Director is a Relative of Directors
Lionel India Limited
Texmaco Rail Limited

x) Employee benefit trust
PPL Employee's Provident Fund

Note 31(b) Related Party Transactions

(₹ in lakhs)

Sl. No.	Name of Related Party	Relationship		Nature of transaction	Amount		Outstanding as at	
					For the year ended 31 March 2020	For the year ended 31 March 2019	31 March 2020	31 March 2019
1	Indo Maroc Phosphore S.A. Morocco	Joint Venturer of the Holding Company	a)	Phosphoric acid purchase	16,415.26	32,472.88	3,879.59 Cr	317.57 Cr
			b)	Demurrage Expenes	0.81	14.40	-	-
			c)	Demurrage Written back	11.88	1.99	-	-
			d)	Re-imbursement of Expenses	-	60.28	-	-
			e)	Claims Written off	-	4.36	-	-
2	OCP, S.A. Morocco	Joint Venturer of the Holding Company	a)	Rock phosphate purchase (net of claims settled & received)	39,416.84	23,638.33	12,703.42 Cr	17,927.85 Cr
			b)	Claims receivable	-	-	4,663.61 Dr	5,263.26 Cr
			c)	Phosphoric acid purchase (net of claims settled & received)	15,470.60	44,376.80	-	-
			d)	Demurrage expenses (net of dispatch money)	165.33	169.69	-	-
			e)	Demurrage Written back	45.94	47.76	-	-
			f)	Reimbursement of expenses	-	108.81	0.76 Dr	0.76 Dr
3	Pakistan Maroc Phosphore S.A.	Party having Significant Influence	a)	Phosphuric acid purchase	-	7,717.10	4.85 Cr	4.43 Cr
			b)	Demurrage	-	4.43	-	-
4	Phosphates De Boucraa S.A.	Party having Significant Influence	a)	Rock phosphates purchase	46,601.61	56,040.81	6,705.19 Cr	14,411.68 Cr
			b)	Demurrage expenses	46.46	302.34	-	-
			c)	Demurrage Written back	34.76	85..84	-	-
			d)	Claims receivable	-	-	1,641.03 Dr	4,301.29 Dr
			e)	Reimbursement of expenses	-	55.49	-	-

(₹ in lakhs)

Sl. No.	Name of Related Party	Relationship		Nature of transaction	Amount		Outstanding as at	
					For the year ended 31 March 2020	For the year ended 31 March 2019	31 March 2020	31 March 2019
5	Jorf Fertiliser SA	Party having significant influence	a)	Phosphuric acid purchase	**8,186.48**	5,996.07	**83.35 Cr**	3,185.01 Cr
			b)	Demurrage expenses	**75.03**	1.85	**-**	-
			c)	Claims receivable	**-**	-	**212.08 Dr**	19.91 Dr
			d)	Reimbursement of expenses	**-**	5.74	**-**	-
6	Zuari Yoma Agri Solutions Limited	Associate Company	a)	Purchase of Ordinary shares	**356.60**	9.01	**365.60 Dr**	9.01 Dr
			b)	Reimbursement of expenses	**4.15**	52.03	**56.18 Dr**	52.03 Dr
7	Zuari Agro Chemicals Limited	Joint venture of the Holding Company	a)	Sale of fertilizers	**7,496.11**	16,250.45	**35,384.12 Dr**	29.589.69 Dr
			b)	Purchase of traded goods	**9,856.86**	24,259.60	**629.63 Cr**	10,727.39 Dr
			c)	Demurrage	**12.56**	-	**21.68 Dr**	9.12 Dr
			d)	Claims receivable	**-**	874.11	**874.11 Dr**	874.11 Dr
			e)	Bank charges(net)	**-**	18.36	**18.36 Dr**	18.36 Dr
			f)	Interest income on overdue receivable	**758.69**	1,532.38	**2,549.67 Dr**	1,790.98 Dr
			g)	Reimbursement of expenses	**250.44**	441.52	**890.81 Cr**	728.18 Cr
			h)	Branding commission	**319.83**	110.73	**465.74 Cr**	145.90 Cr
			i)	Exchange loss	**-**	22.47	**22.47 Cr**	22.47 Cr
			j)	Purchase of Fertilizer	**-**	6.78	**7.67 Dr**	7.67 Dr
			k)	Purchase of Seeds	**-**	-	**90.45 Dr**	90.45 Dr
8	Simon India Limited	Party having significant influence	a)	Purchase of fixed asset	**24.19**	412.15	**24.19 Dr**	-
			b)	Retention money	**124.74**	-	**42.53 Cr**	167.28 Cr
			c)	Reimbursement of expenses	**0.42**	-	**0.42 Dr**	-
9	Zuari Management Services Limited	Party having significant influence	a)	Reimbursement of expenses	**482.43**	448.84	**-**	39.09 Cr
10	Zuari Infraworld India Limited	Party having significant influence	a)	Reimbursement of expenses	**-**	-	**1.34 Dr**	0.45 Dr

(₹ in lakhs)

Sl. No.	Name of Related Party	Relationship		Nature of transaction	Amount		Outstanding as at	
					For the year ended 31 March 2020	For the year ended 31 March 2019	31 March 2020	31 March 2019
11	Mangalore Chemical & Fertilizers Ltd	Subsidiary of the Joint venturer of the Holding Company	a)	Sale of fertilizer and sulphuric Acid	-	1,491.99	-	371.19 Dr
			b)	Purchase of fertilizer	463.14	481.90	9.22 Dr	856.72 Cr
			c)	Bank charges	-	15.05	-	15.05 Dr
			d)	Interest income on overdue receivable	-	-	7.07 Dr	7.07 Dr
			e)	Reimbursement of expenses	140.10	-	86.29 Cr	-
			f)	Exchange loss	-	34.72	-	-
			g)	Other expenses	-	0.07	-	0.07 Dr
12	Lionel India Limited	Enterprise where Director is a Relative of Directors	a)	Purchase of air ticket	125.30	226.68	0.07 Cr	16.08 Cr
			b)	Security Deposit	-	-	0.97 Cr	-
13	Texmaco Rail Limited	Enterprise where Director is a Relative of Directors	a)	Reimbursement of expenses	8.43	6.75	-	0.64 Cr
			b)	Security Deposit	-	-	1.55 Dr	1.55 Dr
14	Adventz Finance Private Limited	Party having significant influence	a)	Reimbursement of expenses	43.83	-	-	-
			b)	Security Deposit	42.00	-	42.00 Dr	-
15	Zuari Maroc Phosphates Private Ltd	Holding Company	a)	Dividend Paid	4,629.61	4,629.61	-	-
			b)	Reimbursement of expenses	-	-	0.46 Dr	0.46 Dr
16	Mr N Suresh Krishnan	Managing Director	a)	Managerial remuneration	22.67	-	-	-
17	Mr Sunil Sethy	Managing Director	a)	Managerial remuneration	70.99	90.00	-	-
18	Mr Ranjit Singh Chugh	Chief Operating Officer	a)	Remuneration	155.03	55.30	-	-
19	Mr Sailesh Pati	Chief Financial Officer	a)	Remuneration	59.14	49.14	-	-
20	Mr Suvendu Kar	Asst Company Secretary	a)	Remuneration	-	3.76	-	-
21	Ms Asheeba Pereira	Asst Company Secretary	a)	Remuneration	1.94	0.65	-	-
22	Mr Sisir Kumar Mishra	Company Secretary	a)	Remuneration	19.99	-	-	-
23	Mrs Kiran Dhingra	Independent Director	a)	Director Sitting Fee	3.50	3.50	-	-
24	Mr Maroc P.A. Wadia	Independent Director	a)	Director Sitting Fee	3.50	3.50	-	-
25	PPL Employee's Provident Fund	Employee benefit trust	a)	Contribution to provident fund	664.69	457.45	45.20 Cr	32.04 Cr

32) (a) Forward contract outstanding as at 31 March 2020 against import of goods is Rs. 99,208.62 lakhs (Previous year Rs.1,20,194.23 lakhs).

(b) Details of un-hedged foreign currency exposure as on the Balance Sheet date are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020			As at 31 March 2019		
	(USD million)	(EUROmillion)	(Rs. in lakhs)	(USD million)	(EUROmillion)	(Rs. in lakhs)
Trade Payable and Creditors for Property Plant and Equipment (including acceptance)	38.32	0.49	29,403.31	12.02	-	8,309.81
Claims recoverable	10.93	-	8,269.34	15.53	-	10,739.44
Short term borrowings- Buyers and Suppliers Credit	26.81	-	20,287.68	13.11	-	9,063.90
Other Interest accrued but not due on borrowings	0.38	-	284.68	0.28	-	193.01

33) 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 Rs. 2,344.62 lakhs (previous year Rs. 2,178.82 lakhs) against the demand raised by Paradeep Port Trust.

34) 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 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.

35) 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 Rs. 566.01 lakhs (including interest of Rs. 418.01 lakhs) during the financial year 2010-11. The outstanding liability as on 31 March 2020 stands at Rs. 250.18 lakhs (Previous year Rs. 250.18 lakhs) after making payment to Spl. LAO.

36) 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 March 2020 as Rs. 207.52 lakhs (Previous year Rs. 200.80 lakhs)

37) Managerial Remuneration*

(₹ in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salary	**93.66**	90.00
	93.66	90.00

* The remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits as these are determined on the basis of actuarial valuation report for the Company as a whole.

38) During the year, a sum of Rs. 100.10 lakhs (Previous year Rs. 84.25 lakhs) including capital expenditure of Rs. 2.30 lakhs (Previous year of Rs. 5.22 lakhs) was spent on research and development (excluding depreciation charge).

39) Fair Values

Set out below, the class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in lakhs)

Particulars	Carrying value		Fair value	
	March 31 2020	March 31 2019	March 31 2020	March 31 2019
Financial assets				
Others:				
Derivative financial asset	**3,421.70**	-	**3,421.70**	-
Total financial assets	**3,421.70**	**-**	**3,421.70**	**-**
Financial Liabilities				
Borrowings				
Long term borrowing (Floating rate)	21,887.94	28,810.77	21,887.94	28,810.77
Others:				
Derivative financial liability	-	3,557.16	-	3,557.16
Employee related	15.07	93.11	15.07	93.11
Total financial liabilities	**21,903.01**	32,461.04	**21,903.01**	32,461.04

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.

40. Fair value measurements

(i) Financial instruments by category

(₹ in lakhs)

	March 31 2020			March 31 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Claims receivable	-	-	**8,277.50**	-	-	10,737.39
Interest receivable on deposits, receivables etc	-	-	**2,609.80**	-	-	1,851.50
Other receivables from related parties	-	-	**56.18**		-	52.03
Derivative financial assets	**3,421.70**	-	**-**	-	-	-
Trade receivables	-	-	**2,14,890.06**	-	-	2,34,214.53
Cash and cash equivalents	-	-	**408.55**	-	-	1,873.96
Bank balance other than cash and cash equivalents	-	-	**173.17**	-	-	148.10
Total Financial assets	**3,421.70**	-	**2,26,415.26**	-	-	2,48,877.51
Financial liabilities						
Long term borrowings (Floating rate)	-	-	**21,887.94**	-	-	28,810.77
Short term borrowings	-	-	**2,07,907.08**	-	-	2,83,488.89
Trade and other payables	-	-	**84,890.05**	-	-	80,261.27
Derivative financial liabilities	-	-	**-**	3,557.16	-	-
Security deposits	-	-	**1,831.39**	-	-	1,450.58
Total Financial liabilities	-	-	**3,16,516.46**	3,557.16	-	3,94,011.51

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Assets for which fair values are disclosed (Note 40)					
Derivative financial asset	31.03.2020	3,421.70	-	3,421.70	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2019 :

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Liabilities measured at fair value					
Liabilities for which fair values are disclosed (Note 40)					
Derivative financial liability	31.03.2019	3,557.16	-	3,557.16	-

There have been no transfers between level 1, level 2 and level 3 during the year.

41. 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.

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 in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

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.

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 March 2020 and 31 March 2019.

a). 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. To be updated with company specific exposures and policy of the management to mitigate these risks.

Interest rate sensitivity

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 is affected through the impact on floating rate borrowings, as follows:

(₹ in lakhs)

Particulars	Increase / decrease in basis points	Effect on profit before tax (Decrease)/ Increase
31 March 2020		
INR Borrowings	+50	(638.58)
Foreign Currency Borrowings	+50	(491.78)
INR Borrowings	-50	638.58
Foreign Currency Borrowings	-50	491.78
31 March 2019		
INR Borrowings	+50	(957.54)
Foreign Currency Borrowings	+50	(492.16)
INR Borrowings	-50	957.54
Foreign Currency Borrowings	-50	492.16

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

b) 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.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended March 31, 2020

(₹ in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax (Decrease)/Increase
USD	+5%	(2,065.16)
	-5%	2,065.16
EURO	+5%	(20.47)
	-5%	20.47

For the year ended March 31, 2019

(₹ in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax (Decrease)/Increase
USD	+5%	(341.36)
	-5%	341.36

c) **Commodity price risk**

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, shulphur 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.

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.

a) **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

Particulars	Amount Rs. In Lakhs
Loss allowance as on 1st April 2018	1,449.00
Changes in loss allowance during 2018-19	718.49
Loss allowance as on 31st March 2019	**2,167.49**
Changes in loss allowance during 2019-20	659.09
Loss allowance as on 31st March 2020	**2,826.58**

b) 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.

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.

(₹ in lakhs)

Particulars	Less than1 Year	1-2 Years	2-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2020						
Borrowings	2,15,907.08	11,000.00	3,000.00	-	-	2,29,907.08
Other financial liabilities	6,106.68	-	-	-	-	6,106.68
Trade payables	80,614.50	-	-	-	-	80,614.50
	3,02,628.26	**11,000.00**	**3,000.00**	-	-	**3,16,628.25**
Year ended 31 March 2019						
Borrowings	2,90,411.72	7,945.70	10,945.45	2,996.78	-	3,12,299.65
Other financial liabilities	10,858.34	138.72	-	-	-	10,997.06
Trade payables	70,793.97	-	-	-	-	70,793.97
	3,72,064.03	8,084.42	10,945.45	2,996.78	-	3,94,090.68

42. 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 cover 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.

43. The Country wide lockdown had been announced from March 25, 2020 due to COVID-19 pandemic. The Government Authorities gave relaxations to the manufacturing and distribution units of fertilizer companies. The Company's production, despatches, sales and market collections remained unaffected. The Company took several pro-active measures, namely by mobilizing its critical work force, locating them within factory premises and adopting stringent social distancing procedures. This helped the company to overcome manpower challenges faced due to lockdown. The Company has made an assessment of its capital and financial resources including liquidity position and ability to service debt and other financing arrangements for next one year. The Company has also assessed the recoverability of the carrying values of its assets such as property, plant and equipment, inventory, trade receivables, investments and other current assets as at balance sheet date and has concluded that there is no impact of COVID-19 thereon. Further, the Company has also evaluated impact of COVID-19 on internal financial controls over financial statements and concluded that there is no impact of COVID-19 thereon. The Company would continue to monitor and assess the impact of COVID-19.

44. Rent and warehouse rent expense included in Note No. 25 represents expenses incurred in respect of short term leases. The Company has adopted Ind AS 116 – "Leases" with effect from 1 April 2019 using modified retrospective approach. The impact of adoption is not material.

45. As per section 135 of the Companies Act, 2013, the Company has incurred expenses on corporate social responsibility (CSR) amounting Rs. 447.69 lakhs (Previous year Rs. 200.16 lakhs) for CSR activities for the purposes other than construction/acquisition of any asset. The gross amount required to be spent by the Company as per section 135 was Rs. 404.12 lakhs (Previous year Rs. 276.30 lakhs).

S.No	Particulars	₹ In lakhs
a.	Gross amount required to be spent by the Company during the year.	404.12
b (i).	Amount spent during the year on construction/acquisition of any asset	-
b (ii).	Amount spent during the year on purposes other than construction/acquisition of any asset is as below:	
	– Contribution to OSDMA	125.00
	– Education & health	62.97
	– Water Sanitation, Health & Hygiene	76.29
	– Village Community Infrastructure Development	72.97
	– Skill Development & Livelihood promotion	27.60
	– Livelihood promotion for marginalised houses	20.59
	– Environment & Biodiversity	26.53
	– Old age care / children with no parental care etc	7.07
	– Women empowerment	8.12
	– Emergency Relief support to poor in case of Disaster	6.62
	– Livelihoods promotion for Women & Youth	11.60
	– Support for Household Energy Needs (Renewable Energy)	2.33

46. Disclosure required under Section 186(4) of the Companies Act, 2013

(₹ in lakhs)

Name	Investments made during the year	Closing balance	Purpose
Zuari Yoma Agri Solutions Limited	356.60	365.61	Strategic investment

During the year, the Company has invested in 5,00,000 fully paid up ordinary shares of Zuari Yoma Agri Solutions Limited for a total consideration of US$ 5,00,000 aggregating to Rs. 356.60 lakhs.

47. The Company during the current year has valued stock of treated gypsum, a by-product, at a valuation of Rs.13,154.55 lakhs in accordance with the recognition and valuation principles laid down in Ind AS 2 – "Inventories".

48. The Government of India, on 20th September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company is continuing to provide for income tax at old rates, based on the available outstanding MAT credit entitlement and other exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly reversed net deferred tax liability of Rs. 4,324.81 lakhs.

49. Changes in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Period (1 April-31 March)	Opening Balance	Cash flows	Adjustments	Closing Balance
Long term borrowings	**2019-20**	**28,810.77**	**(7,000.00)**	**77.17**	**21,887.94**
(Refer Note 12a)	2018-19	34,712.24	(6,000.00)	98.53	28,810.77
Short term borrowings	**2019-20**	**2,83,488.89**	**(79,386.24)**	**3,804.43**	**2,07,907.08**
(Refer Note 12b)	2018-19	1,51,347.26	1,31,178.20	963.43	2,83,488.89

Adjustment represent foreign exchange fluctuation and unwinding of interest expense

50. Receivables include Rs. 36,937.41 lakhs (net) due from Zuari Agro Chemicals Limited (ZACL), a related party. ZACL has confirmed the outstanding balance which is in agreement with the books of the Company. The Company's management has discussed a plan for the settlement of these dues with ZACL. Pursuant to the settlement plan, the Board of Directors of the Company, in its meeting held on 18 June 2020, among other steps, has given an in-principle approval for acquisition of certain assets of ZACL on slump sale basis. The Company, therefore, believes that the amount outstanding will be fully recovered through such settlement, in due course of time.

51. The disclosure regarding holdings and dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

As per our report of even date

For B S R & CO. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)
Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)
Place: Dubai

SISIR KUMAR MISHRA
Company Secretary
Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer
Place: Bhubaneswar

INDEPENDENT AUDITORS' REPORT

To
The Members of
Paradeep Phosphates Limited

Report on the Audit of 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 2020, 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 2020, 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention Note No. 50 of the accompanying financial statements pertaining to receivables as at 31 March 2020, which includes an amount of Rs. 36,937.41 lakhs outstanding from Zuari Agro Chemicals Limited ("ZACL"). The Company's management has discussed a plan for settlement of its dues with ZACL and considers the amount to be recoverable. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' 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 annual report, but does not include the financial statements and our auditors' 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 and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company and 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 Management and Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; 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 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 Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies 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 companies is 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its associate to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

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

  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.

Other Matters

The consolidated financial statements also include the Company's share of net loss (and other comprehensive income) of Rs. 44.34 lacs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us or by other auditors. These unaudited financial information have 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 the associate, and our report in terms of sub-sections (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, these financial information are 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 the above matters with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit 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 2020 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31 March 2020 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 A"**.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Company and its associate. Refer Note 26 to the consolidated financial statements

ii. The Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. 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 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company 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) 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
Membership No. 055757
ICAI UDIN: 20055757AAAABP6834

Place : Kolkata
Date :18th June 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Paradeep Phosphates Limited for the period ended March 31, 2020

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 Companies Act, 2013

(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 the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Paradeep Phosphates Limited (hereinafter referred to as "the Company") as at March 31, 2020.

In our opinion, the Company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated 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 Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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
Membership No. 055757
ICAI UDIN: 20055757AAAABP6834

Place : Kolkata
Date :18th June 2020

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	1,21,267.37	1,02,338.08
(b) Capital work-in-progress	4.1	13,856.56	22,402.69
(c) Other direct capital expenditure (pending allocation)	4.2	1,047.89	3,078.74
(d) Intangible assets	4.3	135.80	95.55
(e) Equity accounted investment	49	312.26	-
(f) Other non-current assets	6	1,740.66	1,191.26
(g) Income tax assets		2,150.64	2,121.76
Total non-current assets		1,40,511.18	1,31,228.08
(2) Current assets			
(a) Inventories	7	1,07,853.81	1,42,182.23
(b) Financial assets			
(i) Trade receivables	8	2,14,890.06	2,34,214.53
(ii) Cash and cash equivalents	9a	408.55	1,873.96
(iii) Bank balances other than (ii) above	9b	173.17	137.46
(iv) Other financial assets	5	14,365.18	12,640.92
(c) Other current assets	6	22,805.87	40,464.52
Total current assets		3,60,496.64	4,31,513.62
(3) Assets classified as held for sale	9c	24.58	23.90
Total assets		5,01,032.40	5,62,765.60
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	57,545.00	57,545.00
(b) Other equity	11	1,02,808.34	90,726.25
Total equity		1,60,353.34	1,48,271.25

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12a	**13,942.24**	21,887.94
(ii) Other financial liabilities	14	**15.07**	93.11
(b) Provisions	16	**2,707.26**	1,939.61
(c) Deferred tax	17	**2,186.65**	2,641.40
Total non-current liabilities		**18,851.22**	26,562.06
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12b	**2,07,907.08**	2,83,488.89
(ii) Trade payables	13		
- total outstanding dues of micro enterprises and small enterprises		**172.14**	53.52
- total outstanding dues of creditors other than micro enterprises and small enterprises		**80,442.36**	70,740.45
(iii) Other financial liabilities	14	**14,037.57**	17,747.60
(b) Other current liabilities	15	**10,319.40**	8,793.97
(c) Provisions	16	**7,564.81**	6,758.82
(d) Current tax liabilities		**1,384.48**	349.04
Total current liabilities		**3,21,827.84**	3,87,932.29
Total equity and liabilities		**5,01,032.40**	5,62,765.60
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 registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)
Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)
Place: Dubai

SISIR KUMAR MISHRA
Company Secretary
Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer
Place: Bhubaneswar

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

(Amount in Rupees lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
I	**REVENUE**			
I.	Revenue from operations	**18**	**4,19,286.45**	4,35,791.22
II.	Other income	**19**	**3,491.14**	3,930.11
III.	**Total Income (I+II)**		**4,22,777.59**	4,39,721.33
IV.	**EXPENSES**			
	Cost of raw materials consumed	**20**	**2,21,014.06**	2,84,763.83
	Purchase of traded goods		**47,540.83**	83,910.93
	Changes in inventories of finished goods, stock-in-trade and work in progress	**21**	**25,857.41**	(56,244.92)
	Employee benefits expense	**22**	**13,192.79**	13,057.87
	Finance costs	**23**	**19,179.06**	15,925.26
	Depreciation and amortization expense	**24**	**7,247.59**	7,009.74
	Other expenses	**25**	**65,706.88**	66,149.93
	Total expenses (IV)		**3,99,738.62**	4,14,572.64
V	**Profit before share of loss from associate and tax (III-IV)**		**23,038.97**	25,148.69
VI	Share of loss from associate		**(82.82)**	(9.01)
VII	**Profit before tax (V+VI)**		**22,956.15**	25,139.68
VIII	**Tax expense**		**(3,634.22)**	(9,243.53)
(1)	Current tax	**17**	**(4,084.22)**	(5,528.68)
(2)	Deferred tax (charge)/credit	**17**	**271.61**	(3,553.80)
(3)	Income tax (expenses)/credit for the earlier years (net)		**178.39**	(161.05)
IX	**Profit for the year (VII+VIII)**		**19,321.93**	15,896.15
X	Other comprehensive income		**(302.49)**	(231.26)
	A Items that will be reclassified to profit or loss		**38.48**	-
	Exchange differences on translation of foreign operations		**38.48**	-
	B Items that will not be reclassified to profit or loss		**(340.97)**	(231.26)
	Re-measurement gains/(losses) on defined benefit plans		**(524.11)**	(355.47)
	Income tax effect	**17**	**183.14**	124.21

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

(Amount in Rupees lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
XI	**Total comprehensive income for the year (IX + X)**		**19,019.44**	15,664.89
	Profit for the year attributable to:			
	Equity shareholders of the company		**19,321.93**	15,896.15
	Other comprehensive income attributable to:			
	Equity shareholders of the company		**(302.49)**	(231.26)
	Total comprehensive income attributable to:			
	Equity shareholders of the company		**19,019.44**	15,664.89
XII	**Earnings per equity share:**			
	- Basic and diluted	**30**	**335.77**	276.24

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 registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)

Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)

Place: Dubai

SISIR KUMAR MISHRA
Company Secretary

Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer

Place: Bhubaneswar

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities		
Profit before taxes	**22,956.15**	25,139.68
Adjustments for:		
Depreciation and amortisation expense	**7,247.59**	7,009.74
Finance costs	**18,264.61**	15,122.68
Interest income	**(902.75)**	(3,252.74)
Profit on sale of current investments	**-**	(48.03)
Loss on sale / discard of property, plant and equipment (net)	**815.05**	1,048.47
Provision for expected credit loss, claims and advances (net)	**740.52**	1,079.63
Bad debts, claims and advances written off	**10.10**	21.80
Unspent liabilities/provision no longer required written back	**(347.19)**	(318.36)
Foreign exchange fluctuation loss/gain unrealized (net)	**3,191.89**	(3,686.09)
Share of loss from associate	**82.82**	9.01
Operating cash flow before working capital changes	**52,058.79**	42,125.79
Adjustments for:		
(Increase) / decrease in inventories	**34,328.42**	(76,212.16)
(Increase)/ decrease in trade receivables, loans and advances and other current assets	**18,573.85**	(43,768.90)
(Increase) / decrease in financial and other assets	**20,118.54**	(27,672.51)
Increase in trade payables, other current liabilities and provisions	**3,743.74**	16,029.70
Increase in provisions	**1,049.53**	1,104.67
Cash generated from / (used in) operating activities	**1,29,872.87**	(88,393.41)
Income taxes paid (net of refunds)	**(2,899.27)**	(3,642.44)
Cash generated from /(used in) operating activities (A)	**1,26,973.60**	(92,035.85)
B. Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**9.42**	6.35
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	**(13,904.81)**	(12,624.31)
Investments in associate	**(356.60)**	(9.01)
Proceeds from sale of mutual funds (net)	**-**	48.03
Interest received	**144.45**	1,788.48
Proceeds from/(investment in) deposits with maturity of more than three months	**(208.75)**	463.56
Net cash flow used in investing activities (B)	**(14,316.29)**	(10,326.89)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
C. Cash flows from financing activities		
Repayment of non-current borrowings	**(6,922.83)**	(5,901.46)
Proceeds from current borrowings	**8,47,792.06**	5,35,050.83
Repayment of current borrowings	**(9,27,178.30)**	(4,03,872.63)
Dividend paid	**(6,937.35)**	(6,937.35)
Interest paid	**(20,876.30)**	(16,494.39)
Net cash flow generated from / (used in) financing activities (C)	**(1,14,122.72)**	1,01,845.00
Net decrease in cash and cash equivalents (A+B+C)	**(1,465.41)**	(517.74)
Cash and cash equivalents at the beginning of the year #	**1,873.96**	2,391.70
Cash and cash equivalents at the end of the year #	**408.55**	1,873.96

As disclosed in Note 9(a).

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 registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)

Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)

Place: Dubai

SISIR KUMAR MISHRA
Company Secretary

Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer

Place: Bhubaneswar

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(Amount in Rupees lakhs, unless otherwise stated)

(a) Equity Share Capital

Equity shares of Rs. 1000/- each issued, subscribed and fully paid	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Balance at the beginning of the year	**57,54,500**	**57,545.00**	57,54,500	57,545.00
Issue of share capital (Note 10)	-	-	-	-
Balance at the end of the year	**57,54,500**	**57,545.00**	57,54,500	57,545.00

(b) Other equity

For the period ended 31 March 2020:

Particulars	Retained earnings (Note 11)	Total
Balance as at 1 April 2019	**90,726.25**	**90,726.25**
Profit for the year	**19,321.93**	**19,321.93**
Other comprehensive income for the year (net of tax)	**(302.49)**	**(302.49)**
Dividend including corporate dividend tax	**(6,937.35)**	**(6,937.35)**
Balance as at 31 March 2020	**1,02,808.34**	**1,02,808.34**

For the year ended 31 March 2019:

Particulars	Retained earnings (Note 11)	Total
Balance as at 1 April 2018	81,998.71	81,998.71
Profit for the year	15,896.15	15,896.15
Other comprehensive income for the year (net of tax)	(231.26)	(231.26)
Dividend including corporate dividend tax	(6,937.35)	(6,937.35)
Balance as at 31 March 2019	**90,726.25**	**90,726.25**

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 registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)
Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)
Place: Dubai

SISIR KUMAR MISHRA
Company Secretary
Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer
Place: Bhubaneswar

Notes to Consolidated Financial Statements

1. Corporate Information

Paradeep Phosphates Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The Company is primarily engaged in the manufacture of 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. The Company is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. With its head office at Bhubaneswar and various regional offices across the country, the Company caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers. The Company has an associate i.e. Zuari Yoma Agri Solutions Limited. The associate is domiciled in Myanmar.

These consolidated financial statements were approved by the Board of Directors of the Company in their meeting held on 18 June 2020.

2. Significant Accounting Policies

2. (a) Basis of Preparation

These consolidated 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 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.

The financial statements of the Company are presented in Indian Rupee (Rs.) which is the functional currency of the Company and all values are rounded to the nearest lakhs (Rs. 00,000.00), except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its associate as at March 31, 2020. Consolidated financial statements 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 i.e. year ended March 31, 2020.

Investment in associate is accounted for using equity method of accounting, after initially being recognized at cost. Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit and 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 recognize 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	Ownership interest		Country of Incorporation
	As at 31 March 2020	As at 31 March 2019	
Zuari Yoma Agri Solutions Limited	50%	50%	Myanmar

2. (b) Summary of significant Accounting Policies

i. Basis of classification of Current and 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 realized 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 realized 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 realization 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 related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. 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 net book value and net realisable value 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 recognized in the statement of profit and loss when the asset is derecognized.

Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is related to construction activity or are incidental thereto. Other indirect expenditure (including borrowing costs) 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:

Class of Assets	Useful Lives estimated by the management (Years)
Buildings	30 to 60
Roads and culverts	3 to 5
Plants and equipment (Continuous process plant)	25
Plant and equipment (Non continuous process plant)	5 to 20
Furniture, fixtures & fittings	2 to 10
Vehicles	8
Office equipments	3 to 6
Railway siding	15

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.

b. Premium on land held on leasehold basis is amortized 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. Insurance / capital / critical stores and spares is depreciated over the remaining useful life of related plant and equipment or useful life of insurance / capital / critical spares, whichever is lower.

e. 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 amortization 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 amortization period and the amortization 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 significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization 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 recognized in the statement of profit and loss when the asset is derecognized.

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 amortized 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. 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

Effective 1 April 2019, the Company has applied Ind AS 116 Leases for recognition and measurement of lease. The Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated and continued to be reported under Ind AS 17.

Policy applicable from 1 April 2019

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 coveys 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 recognizes 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 recognize 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 recognizes the lease payments associated with these leases as an expense of straight line basis over the lease term.

Refer note 2(b)(vi) – Significant accounting policies – leases in the audited consolidated financial statements of the Company for the year ended 31 March 2020 for policy on leases in accordance with Ind AS 17. The impact of transition to Ind AS 116 under the modified retrospective approach is not material.

vii. Foreign currency translation

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 (Rs.), 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 and options 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.

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.

(a) 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 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.

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 recognized in the other comprehensive income (OCI). However, the Company recognizes 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 amortized 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 recognized 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.

(b) 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 or 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 or loss.

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.

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, 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.

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 Costs

Borrowing costs include interest and amortisation of 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 or services 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 or services 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 or services.

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 or services 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 or services. There is no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

The Company recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Subsidy income

Subsidy for DAP, Muriate of Potash (MOP) and Complex Fertilizers are recognized as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time. No subsidy is recognized on export of fertilizers.

Subsidy on freight charges for DAP, MOP and Complex Fertilizers is recognized 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 recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Claims receivable on account of interest from dealers on delayed payments and insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Dividend

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 from the government are recognized 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 recognized 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 recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

xvii. Employee benefits

a. Defined Contribution Plans:

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 recognizes 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 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, for example, a reduction in future payment or a cash refund.

b. Defined Benefit Plan:

i. Liability for Gratuity, Post Employment Medical Benefits and Long Term Compensated Absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan has been funded by policy taken from Life Insurance Corporation of India. 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.

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.

xvii. Income Taxes

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). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly 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 items are recognised in correlation to the underlying transaction either in OCI or directly 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" and grouped under Deferred Tax. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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 recognized 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.

Recent Accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA"), notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. 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 recognized in the period in which the estimates are revised.

a) Income Taxes

Deferred tax assets are recognised for unused tax losses and tax credits to the extent it is probable that taxable profit will be available against which such losses and tax credits 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.

The Company based on profit projections is confident to have sufficient taxable income in future and hence has recognised deferred tax assets on carry forward losses and tax credit (MAT Credit Entitlement). Further details on taxes are disclosed in Note No – 17.

b) 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 No – 29.

c) 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 No – 4.

d) Fair value measurement of financial instruments.

Refer Note No – 40 for information about fair value measurement.

e) Revenue recognition

The Company provides various rebates and incentives to the customers. Various estimates are made to recognize the impact of rebates and other incentives on revenue. These estimates are made based on historical experience and business forecast and current market conditions.

4. Property, plant and equipment

₹ in Lakhs

Particulars	Leasehold Land	Freehold Land *	Buildings	Roads & Culverts	Plant and equipments	Furniture and fittings	Vehicles	Office Equipments	Railway Siding	Total
Cost (gross carrying amount)										
Balance as at 01.04.2018	39.84	584.90	14,773.66	208.77	97,782.83	298.92	299.65	633.70	500.36	1,15,122.63
Additions	-	-	22.32	198.85	7,104.27	44.31	164.41	242.44	198.46	7,975.06
Disposals	-	-	-	-	(1,286.00)	(4.86)	(18.80)	(28.46)	(40.90)	(1,379.02)
Adjustments (Refer note a)	-	-	-	-	1,700.39	-	-	-	-	1,700.39
Balance as at 31.03.2019	**39.84**	**584.90**	**14,795.98**	**407.62**	**1,05,301.49**	**338.37**	**445.26**	**847.68**	**657.92**	1,23,419.06
Additions	**-**	**-**	**20,317.88**	**71.57**	**2,302.75**	**12.33**	**50.97**	**170.09**	**-**	**22,925.59**
Disposals	**-**	**-**	**(50.30)**	**-**	**(948.37)**	**(2.99)**	**(29.25)**	**(177.07)**	**-**	**(1,207.98)**
Adjustments	**-**	**-**	**4,069.35**	**-**	**(22.26)**	**-**	**-**	**(10.79)**	**-**	**4,036.30**
Balance as at 31.03.2020	**39.84**	**584.90**	**39,132.91**	**479.19**	**1,06,633.61**	**347.71**	**466.98**	**829.91**	**657.92**	**1,49,172.97**
Accumulated depreciation										
Balance as at 01.04.2018	1.50	-	1,760.68	57.07	12,065.02	98.49	30.65	383.60	46.93	14,443.94
Charge for the year	0.44	-	594.14	11.97	6,136.99	40.87	49.78	102.61	25.79	6,962.59
Deductions	-	-	-	-	(304.63)	(2.05)	(9.35)	(4.69)	(4.83)	(325.55)
Balance as at 31.03.2019	**1.94**	**-**	**2,354.82**	**69.04**	**17,897.38**	**137.31**	**71.08**	**481.52**	**67.89**	**21,080.98**
Charge for the year	**0.44**	**-**	**649.53**	**46.79**	**6,298.95**	**43.42**	**54.46**	**88.53**	**33.94**	**7,216.06**
Deductions	**-**	**-**	**(17.16)**	**-**	**(195.63)**	**(2.45)**	**(12.89)**	**(154.69)**	**-**	**(382.82)**
Adjustments	**-**	**-**	**-**	**-**	**(0.90)**	**-**	**-**	**(7.72)**	**-**	**(8.62)**
Balance as at 31.03.2020	**2.38**	**-**	**2,987.19**	**115.83**	**23,999.80**	**178.28**	**112.65**	**407.64**	**101.83**	**27,905.60**
Net carrying amount										
Balance as at 31.03.2020	**37.46**	**584.90**	**36,145.72**	**363.36**	**82,633.81**	**169.43**	**354.33**	**422.27**	**556.09**	**1,21,267.37**
Balance as at 31.03.2019	37.90	584.90	12,441.16	338.58	87,404.11	201.06	374.18	366.16	590.03	1,02,338.08

* Conveyance deed / patta have been executed for 2104.05 acres against possession of 2282.11 acres of land.

a) Adjustments to gross carrying amount include:

Asset Description	Borrowing Cost		Exchange Fluctuation		Total	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Buildings	**4,069.35**	-	**-**	-	**4,069.35**	-
Plant and equipments	**-**	1,297.13	**-**	403.26	**-**	1,700.39
Total	**4,069.35**	1,297.13	**-**	403.26	**4,069.35**	1,700.39

b) Refer Note 12a and 12b relating to borrowings in respect of property, plant and equipment provided as security against those borrowings.

c) Refer Note 27 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4.1 Capital Work-in-progress

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Capital work-in-progress	**13,856.56**	22,402.69
Closing balance	**13,856.56**	22,402.69

4.2 Other direct capital expenditure (pending allocation)

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Opening balance	**3,078.74**	**2,973.79**
Employee benefits expense		
Salaries, wages and bonus	**151.76**	150.17
Contribution to provident and other funds	**8.92**	8.08
Staff welfare expenses	**3.22**	3.21
Other expenses		
Travelling and conveyance expenses	**2.65**	2.09
Finance costs		
Interest expenses	**2,171.26**	1,693.70
Bank charges	**-**	0.01
SUB-TOTAL	**5,416.55**	4,831.05
Less: Allocated to Property Plant and Equipment	**(4,368.66)**	(1,752.31)
Closing Balance	**1,047.89**	3,078.74

4.3 Intangible Assets

₹ in Lakhs

Particulars	Computer software	Total
Gross carrying amount		
Balance as at 01.04.2018	310.54	310.54
Additions	31.92	31.92
Balance as at 31.03.2019	342.46	342.46
Additions	68.71	68.71
Disposals	(8.44)	(8.44)
Adjustments	10.79	10.79
Balance as at 31.03.2020	**413.52**	**413.52**
Accumulated Amortization		
Balance as at 01.04.2018	199.76	199.76
Charge for the year	47.15	47.15
Balance as at 31.03.2019	246.91	246.91
Charge for the year	31.53	31.53
Deductions	(8.44)	(8.44)
Adjustments	7.72	7.72
Balance as at 31.03.2020	**277.72**	**277.72**
Net carrying amount		
Balance as at 31.03.2019	95.55	95.55
Balance as at 31.03.2020	**135.80**	**135.80**

5. Other Financial assets

₹ in Lakhs

Particulars	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	3,421.70	-
Other financial asset at amortised cost				
Claims receivable:				
Related parties (Refer note no. 31 (b))	-	-	6,516.72	10,458.57
Others	209.79	209.79	1,760.78	278.82
Less: Provision for doubtful claims receivable	(209.79)	(209.79)	-	-
Interest receivable on deposits, receivables, etc:				
Related parties (Refer note no. 31 (b))	-	-	2,556.74	1,798.05
Others	-	-	53.06	53.45
Other Receivables:				
Related parties (Refer note no. 31 (b))	-	-	56.18	52.03
Total other financial assets	-	-	14,365.18	12,640.92

6. Other assets
(Unsecured considered good unless otherwise stated)

₹ in Lakhs

Particulars	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Capital advances :				
Related parties (Refer note no. 31(b))	24.19	-	-	-
Others	814.13	457.81	-	-
Advance to vendors:				
Related parties (Refer note no. 31(b))	-	-	2.22	10,869.32
Others	-	-	857.51	450.90
Less: Provision for doubtful advances	-	-	(32.00)	(32.00)
Claims receivable	218.28	218.28	745.60	972.72
Less: Provision for doubtful claims receivable	(218.28)	(218.28)	-	-
Balance with statutory / government authorities	-	-	18,033.49	24,699.49
Prepaid expenses	145.05	18.16	473.10	792.23
Sales tax & entry tax deposits	8.01	8.01	2,596.52	2,578.52
Less: Provision for doubtful deposits	(8.01)	(8.01)	-	-
Other deposits				
Related parties (Refer note no. 31(b))	42.00	-	1.55	-
Others	715.29	715.29	127.88	133.34
Total other assets	1,740.66	1,191.26	22,805.87	40,464.52

7. Inventories (valued at lower of cost and net realizable value)

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Raw materials	34,981.23	44,631.90
Finished goods	35,749.81	62,629.25
Traded goods	12,524.09	23,707.84
Intermediates	6,013.48	6,870.21
Stores, spare parts, chemical and fuel oil	4,773.02	3,894.92
Packing materials	657.63	448.11
By-Products	13,154.55	-
Total	1,07,853.81	1,42,182.23

a) Inventories are pledged against the borrowings as further explained in Note 12a and 12b.

b) The cost of inventories recognised as expense includes Rs 375.23 lakhs (2018-19: Rs.76.93 lakhs) in respect of write down of inventories.

c) Inventories inlcudes inventories in transit as at the balance sheet as under:

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Raw materials	17,229.73	22,589.65
Finished goods	3,302.84	8,668.99
Traded Goods	928.54	2,501.14
Stores and spare parts including capital spares	1,176.85	176.10
Total	22,637.96	33,935.88

Break up of Inventories

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Raw materials		
Phosphoric Acid	8,975.26	24,344.20
Ammonia	7,016.91	6,441.57
Rock Phosphates	12,247.09	7,237.75
Sulphur	844.25	5,824.21
MOP	5,732.55	118.54
Ammonium Sulphate	-	545.92
Sulphuric Acid	0.19	0.19
Borax Pentahydrate	10.17	4.51
Zinc Sulphate	28.36	8.78
Others	126.45	106.23
Total	34,981.23	44,631.90
Finished goods		
DAP	14,446.47	43,261.10
NPK	21,053.02	19,127.39
Zypmite	250.32	240.76
Total	35,749.81	62,629.25
Traded Goods		
MOP	986.66	10,616.91
DAP and DAP Lite	9,467.34	11,687.94
NPK	711.28	-
Ammonia	1,211.57	1,245.90
Sulphuric Acid	0.19	0.19
SSP	-	4.94
SPN	146.67	151.96
City Compost	0.38	-
Total	12,524.09	23,707.84
Intermediates		
Phosphoric Acid	5,012.61	5,859.52
Sulphuric Acid	1,000.87	1,010.69
Total	6,013.48	6,870.21
By-Product		
Treated Gypsum (valued at net realisable value)	13,154.55	-
Total	13,154.55	-

8. Trade receivables (at amortised cost)

₹ in Lakhs

Particulars	Non Current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade receivables considered good - secured	-	-	457.77	266.47
Trade receivables considered good - unsecured	2,826.58	2,167.49	1,79,029.81	2,03,987.18
From related parties (Refer note no 31(b))				
Trade receivables considered good - unsecured	-	-	35,402.48	29,960.88
Total trade receivables	2,826.58	2,167.49	2,14,890.06	2,34,214.53
Less: Provision for impairment	(2,826.58)	(2,167.49)	-	-
Total trade receivables *	-	-	2,14,890.06	2,34,214.53

a) *Includes Subsidy receivable from GOI amounting to Rs 1,17,471.84 lakhs (31 March 2019: Rs 1,30,477.73 lakhs) net of provision of Rs 312.54 lakhs (31 March 2019: Rs 311.29 lakhs)

b) Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 12a and 12b.

c) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

d) 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.

e) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 41.

9a. Cash and cash equivalents

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
a. Balances with banks		
- On current accounts	120.88	70.95
– On cash credit accounts	287.48	1,802.69
b. Cash on hand	0.19	0.32
Total	**408.55**	**1,873.96**

9b. Bank balances other than above

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
In Term deposit account*	173.17	137.46
Total	173.17	137.46

*With original maturity of more than 3 months but not greater than 12 months and pledged with Executive Engineer, Mahanadi South Division as security deposit Rs.150.57 lakhs (31 March 2019:Rs137.46 lakhs) ; Rs.17.60 lakhs (31 March 2019:Nil) against bank gurantee issued in favour of Steel Authority of India Limited : Rs.5.00 lakhs (31 March 2019:Nil) against bank gurantee issued in favour of Regional Director, ESI Corporation, Bhubaneswar.

9c. Assets held for sale

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Discarded Property, Plant and Equipments	24.58	23.90
	24.58	23.90

Assets held for sale represent property, plant and equipment discarded. The Company expects to dispose it off in next one year.

10. Share Capital

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Authorised :		
80,00,000 (31 March 2019: 80,00,000) equity shares of Rs 1000/- each	**80,000.00**	80,000.00
20,00,000 (31 March 2019: 20,00,000) 7% Non-cumulative Redeemable preference shares of Rs 1000/- each	**20,000.00**	20,000.00
Issued, subscribed and fully paid-up shares :	**1,00,000.00**	1,00,000.00
57,54,500 (31 March 2019: 57,54,500) equity shares of Rs.1000/- each fully paid	**57,545.00**	57,545.00
Total	**57,545.00**	57,545.00

a. Reconciliation of Shares Outstanding at the beginning and end of the year

Equity Shares	31 March 2020		31 March 2019	
	In Numbers	₹ in lacs	In Numbers	₹ in lacs
At the beginning of the year	5,754,500	57,545.00	5,754,500	57,545.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**57,54,500**	**57,545.00**	**57,54,500**	**57,545.00**

b. Terms / Rights Attached to equity Shares

1) The Company has only one class of equity share having par value of Rs.1000 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.
3) The shares held by the GOI have the following additional rights :

   a) The GOI is entitled to nominate two directors on the Board of the Company so long as it holds at least 15.5% issued equity shares of the Company.

   b) The presence of at least one GOI nominee director is required to constitute a quorum in a board meeting, failing which the Meeting would be adjourned twice. Thereafter, in the absence of GOI nominee director, the directors present shall constitute the quorum.

   c) The above requirement is also applicable to constitute a quorum in shareholder's meeting.

   d) The resolution for certain important matters cannot be passed in a board meeting / shareholders' meeting without the affirmative vote of at least one GOI nominee director/shareholder.
4) The shares held by Zuari Maroc Phosphates Private Limited (ZMPPL)have the following additional rights :

   a) ZMPPL is entitled to nominate maximum 6 directors on the Board of the Company.

   b) The Chairman and the Managing Director shall be appointed from amongst the directors nominated by ZMPPL.

   c) ZMPPL is entitled to issue call option notice requiring GOI to sell ZMPPL all the equity shares held by GOI at a price which is higher of fair value or value quoted in stock exchange or Rs. 473.82 per share.

c. Shares held by its holding company are as below:

Name of Shareholder	31 March 2020	31 March 2019
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erst while known as Zuari Maroc Phosphates Limited (ZMPL))	**46,296.10**	46,296.10

d. Details of shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	31 March 2020		31 March 2019	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erst while known as ZMPL)	46,29,610	80	46,29,610	80
President of India - Government of India (GOI)	11,24,890	20	11,24,890	20

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 share.

11. Other Equity

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Surplus in the statement of profit and loss		
Opening balance	**90,613.03**	81,654.23
Net profit for the year	**19,321.93**	15,896.15
Appropriations- dividend (including dividend distribution tax)	**(6,937.35)**	(6,937.35)
Closing balance	**1,02,997.61**	90,613.03
Other Items of Other Comprehensive Income		
Opening balance	**113.22**	344.48
Adjustment for the year	**(302.49)**	(231.26)
Closing balance	**189.27**	113.22
Total reserves and surplus	**1,02,808.34**	90,726.25

Details of dividend and dividend distribution tax paid	31 March 2020	31 March 2019
Final dividend paid Rs.100 per share for the year ended 31 March 2019 (Rs.100 per share for the year ended 31 March 2018)	**5,754.50**	5,754.50
Dividend distribution tax paid	**1,182.85**	1,182.85

Surplus in the statement of profit and loss

Surplus in the statement of profit and loss represents the profit generated by the company that are not distributed to the shareholder and are re-invested in the company.

12a. Long term borrowings (at amortised cost)

(₹ in lakhs)

Particulars	Non-Current		Current Maturities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
NON CURRENT BORROWINGS				
Secured				
Rupee term loan from banks	13,942.24	20,882.55	6,947.40	5,928.22
Rupee term loan from financial institution	-	1,005.39	998.30	994.61
Total	13,942.24	21,887.94	7,945.70	6,922.83
Amount disclosed under the head "other financial liabilities" (Refer note 14)	-	-	(7,945.70)	(6,922.83)
Total	13,942.24	21,887.94	-	-

Nature of securities and terms of repayment of each loan and interest rate

Particulars of Loan	Security	Terms of Repayment	Effective Interest Rate
Rupee term loan from - Syndicate 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 of Rs 625 lakhs commenced from 31st May 2016.	9.60%
Rupee term loan from - HDFC 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 of Rs 375 lakhs commenced from 30th April 2016.	10.30%
Rupee term loan from financial institution - EXIM Bank Ltd.	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 of Rs 250 lakhs commenced from 30th April 2016.	10.30%
Rupee term loan from - ICICI Bank Ltd.	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 December 2018, of which first 8 instalments are of Rs 500 lakhs, next 4 quarterly instalments of Rs 1000 lakhs, remaining 8 quarterly instalments of Rs 1500 lakhs.	9.75%

12b. Short term borrowings (at amortised cost)

(₹ in lakhs)

Particulars	Current	
	31 March 2020	31 March 2019
From banks		
Secured		
Loans repayable on demand		
Cash credit	14,320.77	26,557.28
Other loans		
Working capital Demand loan	77,800.00	66,000.00
Rupee Loan	2,724.62	20,358.98
Buyer's credit	34,002.17	-
Supplier's credit	64,353.49	98,432.79
Local Bills Discounted with Bank	1,706.03	13,339.84
Other loans from bank	13,000.00	-
Unsecured		
Other loans from bank	-	58,800.00
	2,07,907.08	2,83,488.89

Nature of securities and terms of repayment of each secured & unsecured borrowings

Particulars of Loan	Due date of repayment from the balance sheet date	Interest rate	Amount	Nature of securities
Cash credit (secured)	Repayable on demand	in the range of 9.00% to 10.50%	14,320.77	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.
Working capital demand loan (WCDL) (secured)	Repayable over a period of 11 to 91 days	in the range of 8.00% to 9.50%	77,800.00	
Supplier's credit (secured)/ buyer's credit (secured)	Repayable over a period of 90 to 180 days	in the range of 6.00% to 8.50%	98,355.66	
Local Bills discounted with Bank (secured)	Repayable over a period of 91 to 180 days.	in the range of 7.50% to 8.50%	1,706.03	
Other Loans (secured)	Repayable over a period of 90 to 180 days.	in the range of 6.00% to 8.00%	13,000.00	
Rupee Loans (secured)	Repayable within 60 days	Nil	2,724.62	The loan is secured by hypothecation of subsidy receivable upto Rs.2,724.62 lakhs from Government of India.

13. Trade payables (at amortized cost)

(₹ in Lakhs)

Particulars	Current	
	31 March 2020	31 March 2019
Acceptances :		
Related parties (Refer Note No 31(b))	19,557.55	20,778.24
Others	42,784.11	21,301.33
Trade payables:		
- Total outstanding dues of micro enterprises and small enterprises*	172.14	53.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
Related parties (Refer note no 31(b))	4,909.97	16,877.65
Others	13,190.73	11,783.23
TOTAL	80,614.50	70,793.97

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 (MSME) 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:

Particulars	31 March 2020	31 March 2019
(I) the principal amount and interest thereon remaining unpaid at the end of financial year	172.14	53.52
(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 each accounting 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 each accounting 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	-	-

14. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	-	3,557.16
Total financial liabilities at fair value through profit or loss	-	-	-	3,557.16
Other financial liabilities at amortised cost				
Current maturities of long-term borrowings (Refer Note 12a)	-	-	7,945.70	6,922.83
Earnest money / security deposits				
Related parties (Refer Note No 31(b))	-	-	0.97	-
Others	-	-	1,830.42	1,450.58
Employee related dues	15.07	93.11	2,033.18	3,816.61
Creditors for propert, plant and equipment (including retention money from contractors/suppliers)				
Related parties (Refer Note No 31(b))	-	-	42.53	167.28
Others	-	-	1,519.27	624.77
Interest accrued but not due on borrowings	-	-	665.50	1,208.37
Total other financial liabilities at amortised cost	15.07	93.11	14,037.57	14,190.44
Total other financial liabilities	15.07	93.11	14,037.57	17,747.60

15. Other Current Liabilities

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Rebate liabilities	1,733.59	664.95
Interest on other dues	248.94	146.50
Statutory dues	7,430.54	7,237.99
Advance from customers	906.33	744.53
Total other current liabilties	10,319.40	8,793.97

16. Provisions (Current and Non-Current)

(₹ in Lakhs)

Particulars	Non Current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits for:*				
Post retirement medical benefits	73.20	68.49	4.93	4.90
Gratuity (Refer note no 29)	2,012.82	1,225.72	196.62	121.29
Leave salary	-	-	4,267.50	3,709.39
Other provisions for:				
Contractors	621.24	645.40	-	-
Others (refer note 'a' below)				
- Capital expenditure	-	-	250.18	250.18
- Others	-	-	2,845.58	2,673.06
Total Provisions	2,707.26	1,939.61	7,564.81	6,758.82

* 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.

a) The movement for "Provisions – Others" during the year is as follows :-

(₹ in Lakhs)

Particulars	Capital expenditure For the year ended		Others For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening Balance	250.18	250.18	2,673.06	2,506.30
Additions during the year	-	-	172.52	166.76
Closing balance **	250.18	250.18	2,845.58	2,673.06
** Includes the following provisions				
Ground rent (refer note no. 33)	-	-	2,344.62	2,178.82
Land compensation (including interest) (refer note no. 35)	250.18	250.18	-	-
Employees' state insurance (refer note no. 36)	-	-	207.52	200.80
Provision for others (freight claims)	-	-	293.44	293.44
Total	250.18	250.18	2,845.58	2,673.06

17. Income Tax

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are:

Profit or loss section

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Current income tax:		
Current income tax charge for continuing operations	(4,084.22)	(5,528.68)
Adjustments in respect of current income tax of earlier years	178.39	(161.05)
Deferred tax:		
Relating to origination and reversal of temporary differences	271.61	(3,553.80)
Income tax expense reported in the statement of profit or loss	(3,634.22)	(9,243.53)

OCI section

Deferred tax related to items recognised in OCI during in the year:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Net loss on re-measurement of defined benefit plans and FVTOCI financial instruments	(524.11)	(355.47)
Income tax credited to OCI	183.14	124.21

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Accounting profit before tax from continuing operations	**23,038.97**	25,148.69
Adjustment fo share of loss from associate	**(82.82)**	(9.01)
Accounting profit before income tax	**22,956.15**	25,139.68
At India's statutory income tax rate of 34.944%	**8,050.74**	8,787.96
	8,050.74	8,787.96
Tax effects of amount which are not deductible (taxable) in		
CSR expenditure	**156.44**	69.93
Interest on income tax	**36.96**	3.76
Club expenditure	**-**	0.82
Donation	**-**	2.63
On account of change in tax rate (Refer note 48)	**(4,324.81)**	93.17
Impact of claim of health and education cess	**(106.83)**	-
Tax impact on items reclassified from OCI to Profit and Loss	**-**	124.21
Others	**0.11**	-
Effective tax charge	**3,812.61**	9,082.48
Add: Tax impact for earlier years	**(178.39)**	161.05
Tax expenses as per the Statement of Profit and Loss	**3,634.22**	9,243.53

Deferred tax

Deferred tax relates to the following:

(₹ in Lakhs)

Particulars	Balance as at	
	31 March 2020	31 March 2019
Deferred income tax liabilities		
Property, plant and equipment (including other intangible assets)	**12,711.78**	16,120.28
On account of Statutory dues	**891.28**	887.77
Total deferred income tax liabilities	**13,603.06**	17,008.05
Deferred income tax assets		
Effect of provision for doubtful debts, advances & claim	**847.26**	920.97
Expenses allowable under income tax on payment basis	**4,940.72**	4,630.24
Provision for others	**819.31**	761.36
Deferred tax income		
Total deferred income tax assets	**6,607.29**	6,312.57
Net deferred tax Asset /(liabilities)	**(6,995.77)**	(10,695.48)
MAT Credit Entitlement	**4,809.12**	8,054.08
Total	**(2,186.65)**	(2,641.40)

Reconciliation of deferred tax liabilities (net):

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Opening balance	(10,695.48)	(9,649.65)
Tax income/(expense) during the year recognised in profit or loss	3,516.57	(1,170.04)
Tax income/(expense) during the year recognised in OCI	183.14	124.21
Subtotal - A	(6,995.77)	(10,695.48)
MAT Credit Entitlement (MAT)		
Opening balance	8,054.08	10,437.84
Less: Adjusted during the year	(3,244.96)	(2,383.76)
Subtotal - B	4,809.12	8,054.08
Deferred Tax Total (A) + (B)	(2,186.65)	(2,641.40)

The Company has carried forward Rs 4,809.12 lakhs (31 March 2019: Rs 8,054.08 lakhs) of tax credit (Minimum Alternative Tax (MAT)) as MAT credit entitlement under Deferred Tax Assets, the credit of which would be available based on the provisions of Sec. 115JAA of the Income Tax Act 1961. The management based on the future profitability projections and also profit earned during the year is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above tax credit.

18. Revenue From Operations

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		-
Finished products	2,28,393.62	2,39,560.82
Traded goods	51,211.00	57,631.57
Waste including treated gypsum	4,252.44	3,690.68
	2,83,857.06	3,00,883.07
Subsidy from Government of India on fertilizers	1,35,293.23	1,34,757.41
	4,19,150.29	4,35,640.48
Other operating revenue		
Scrap sales	136.16	150.74
Total revenue from operations	4,19,286.45	4,35,791.22

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract price	4,29,601.51	4,40,972.41
Adjustments for:		
Variable consideration - rebates	(10,315.06)	(5,181.19)
Revenue from operations	4,19,286.45	4,35,791.22

Details of products sold :

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Finished products sold:		
DAP	1,38,000.47	1,47,856.49
NPK	85,713.16	86,250.66
Sulphuric Acid	2,760.39	3,414.64
Zypmite	-	0.47
Zypmite Plus	1,919.60	2,038.56
	2,28,393.62	2,39,560.82
Traded products sold:		
DAP and DAP Lite	18,220.60	19,844.07
NPK 10	5,953.85	-
NPK 12	2,546.66	-
MOP	14,568.25	12,798.69
City Compost	239.25	104.03
SPN	510.26	441.03
Ammonia	9,172.13	7,135.95
Phosphoric Acid	-	17,307.80
	51,211.00	57,631.57
Waste :		
Treated Gypsum	4,164.38	3,668.30
Neutralized Phospho Gypsum	-	0.82
HFC	88.06	21.56
	4,252.44	3,690.68

Subsidy from Government of India on fertilizers:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On finished goods [including freight subsidy Rs 17,082.00 lakhs (31st March 2019 Rs 16,301.84 lakhs)]	1,19,856.61	1,17,585.40
On traded goods [including freight subsidy Rs 2,324.03 lakhs (31st March 2019 Rs 2,865.84 lakhs)]	15,436.62	17,172.01
	1,35,293.23	1,34,757.41

19. Other income

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on		-
Bank deposits	11.69	7.77
Income tax refund	1,372.02	-
Others	891.06	3,244.97
Rent income	249.66	206.41
Excess provision/unclaimed liabilities/unclaimed balances written back	347.19	318.36
Profit on sale of current investments	-	48.03
Miscellaneous income	619.52	104.57
Total other income	3,491.14	3,930.11

Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
In relation to financial assets classified at amortised cost	902.75	3,252.74
Total	**902.75**	3,252.74

20. Cost of raw materials consumed

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory at the beginning of the year	**44,631.90**	27,929.75
Add : Purchases	**2,11,455.43**	3,03,640.76
	2,56,087.33	3,31,570.51
Less: Inventory at the end of the year	**(34,981.23)**	(44,631.90)
Less: Traded goods transferred from raw materials	**(104.54)**	(2,517.06)
Add: Traded goods transferred to raw materials	**12.50**	342.28
Cost of raw materials consumed	**2,21,014.06**	2,84,763.83

21. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories at the end of the year		
Finished goods	**35,749.81**	62,629.25
Traded goods	**12,524.09**	23,707.84
Intermediates	**6,013.48**	6,870.21
Waste including treated gypsum	**13,154.55**	-
Total (A)	**67,441.93**	93,207.30
Inventories at the beginning of the year		
Finished goods	**62,629.25**	25,899.58
Traded goods	**23,707.84**	2,361.75
Intermediates	**6,870.21**	6,496.57
Waste including treated gypsum	**-**	29.70
Total (B)	**93,207.30**	34,787.60
Less:		
Traded goods transferred from raw materials	**(104.54)**	(2,517.06)
Traded goods transferred to raw material consumption	**12.50**	342.28
Total (C)	**(92.04)**	(2,174.78)
Net (B-A-C)	**25,857.41**	(56,244.92)

22. Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	**10,613.38**	10,736.52
Contribution to provident and other funds (Refer Note 29)	**987.38**	722.73
Gratuity (Refer Note 29)	**337.36**	264.00
Staff welfare expenses	**1,254.67**	1,334.62
Total	**13,192.79**	13,057.87

23. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	**17,592.52**	14,762.01
Exchange difference to the extent considered as an adjustment to borrowing cost	**2,737.58**	1,970.66
Bank charges	**914.45**	802.58
Interest on income tax	**105.77**	83.71
	21,350.32	17,618.96
Less: Interest capitalised to property, plant and equipment	**2,171.26**	1,693.70
Total finance cost	**19,179.06**	15,925.26

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
In relation to financial liabilities classified at amortised cost	**17,592.52**	14,762.01
Total	**17,592.52**	14,762.01

24. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Depreciation of property, plant and equipment	**7,216.06**	6,962.59
Amortisation of intangible assets	**31.53**	47.15
Total depreciation and amortization expense	**7,247.59**	7,009.74

25. Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
Consumption of stores and spare parts		3,079.55		3,050.07
Consumption of packing materials		3,462.08		3,622.87
Chemical consumed		1,166.94		1,198.72
Catalysts consumed		444.22		96.51
Payment to contractors for bagging and other services		3,371.30		3,965.96
Power and fuel		7,294.03		8,206.19
Water charges		605.73		557.51
Rent		249.31		280.54
Rates and taxes		68.10		52.79
Insurance		1,084.41		373.33
Repairs and maintenance:				
Plant and machinery	2,198.45		1871.65	
Buildings	636.45		516.93	
Others	440.48	3,275.38	365.96	2,754.54
Selling and distribution expenses:				
Freight and handling	27,028.95		28,920.26	
Warehouse rent	1,706.66		1,261.24	
Commission	575.18		293.09	
Publicity and sales promotion expenses	1,006.13		1,020.02	
Other selling expenses	280.66	30,597.58	80.12	31,574.73
Travelling and conveyance expenses		675.48		678.29
Professional, consultancy and legal expenses		277.49		779.41
Corporate social responsibility expenditure (Refer Note no 45)		447.69		200.16
Donation *		350.00		7.52
Payment to statutory auditors		92.88		90.17
Exchange differences (net)		5,040.12		4,164.84
Bad debts, claims and advances written off	72.03		343.34	
Less: Adjusted against provision	61.93	10.10	321.54	21.80
Provision for expected credit loss, claims and advances (net)		740.52		1,079.63
Loss on sale/discard of property, plant and equipment (net)		815.05		1,048.47
Miscellaneous expenses		2,558.92		2,345.88
Total other expenses		**65,706.88**		66,149.93

* Donation includes contribution to political party of Rs.350.00 lakhs during the year ended 31 March 2020, (Nil during the year ended 31 March 2019)

Payments to statutory auditors as

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As statutory auditors		
Audit fee	22.00	22.00
Tax audit fee	3.00	3.00
In other capacity:		
Other services	62.50	60.00
Reimbursement of expenses	5.38	5.17
Total	92.88	90.17

26) Contingent Liabilities not provided for - (₹ in lacs)

	Particulars		As at 31 March 2020	As at 31 March 2019
A.	Income Tax Demands for the AY 2008-09 to 2016-17 against which the Company has filed appeal before CIT (A) / ITAT.		**286.07**	2,039.98
B.	Department of Fertilizer, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to Rs. 5,352.12 lakhs, 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 February 6, 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 18/11/2011 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.		**5,352.12**	5,352.12
C.	**Sales Tax and other tax matters under appeal**			
	i)	CST demand for the FY 2005-06 due to rejection of Branch transfers and export sales.	**10,420.51**	10,420.51
	ii)	Demand of entry tax on imported raw materials including interest and penalty.	**2,909.39**	2,909.39
	iii)	Demand under GST Act in respect of erroneous refund of GST for the period July 2017 to January 2018 under inverted structure.	**1,999.90**	-
	iv)	Countervailing Duty (CVD) paid and refund claimed on MOP and Sulphuric Acid, BCD on discount received and Custom duty on demurrage.	**109.97**	109.97
	v)	Service tax on mediation fees	**45.79**	45.79
	vi)	Central excise demand for March 2011	**234.14**	234.14
	vii)	VAT demand for the year 2005-06 in Bihar region on account of VAT assessment.	**37.69**	37.69
	viii)	CST demand for Telangana for non-submission of declaration forms.	**51.48**	51.48
	ix)	VAT demand for Odisha due to input tax credit mismatch	**51.96**	51.96
	x)	VAT demand for Maharashtra due to input tax credit mismatch	**1.96**	-
	xi)	CST demand for Maharashtra for non-submission of declaration forms.	**26.67**	-
	xii)	Others	**173.75**	175.98

(₹ in lacs)

		Particulars	As at 31 March 2020	As at 31 March 2019
D.	Other Claims against the Company not acknowledged as debts			
	i)	Penal Interest on loan from Government of India, due to delay	**344.43**	344.43
	ii)	Industrial Dispute and Miscellaneous labour cases pending at various forums at different stages of dispute.	**452.36**	438.34
	iii)	Interest on water charges due to delay in payments	**1,394.93**	1,050.59
	iv)	Demand towards contribution to Water Conservation Fund	**2,322.50**	2,322.50
	v)	Others	**58.31**	54.41

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.

27) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 10,151.74 lakhs (Previous year Rs. 5,163.76 lakhs).

28) Segment Reporting

(a) Operating Segment :

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) Geographical Segment:

The Company primarily operates in India and therefore no geographical segment information has been provided herein.

29. Disclosure in respect of Post Retirement Employee Benefits

A. Defined contribution plans

The amount provided for defined contribution plans are follows:

(₹ in lakhs)

Particulars	For the year ended March 31 2020	For the year ended March 31 2019
Pension Scheme	143.47	140.32
Superannuation Fund	137.31	120.74
National Pension Scheme	60.09	49.75
Total	**340.87**	310.81

B. Gratuity and other post-employment benefit plans:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Gratuity Plan - (Liability)	(2,209.44)	(1,347.01)
Provident Fund - Asset *	227.35	229.54
Post retirement medical benefits plan - (Liability)	(78.13)	(73.39)
Total	**(2,060.22)**	(1,190.86)

* Plan asset of Rs. 227.35 lakhs (31 March 2019: Rs. 229.54 lakhs) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

a) 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. In particular, the Company is exposed to interest rate risk, adverse salary growth risk, demographic risk and market risk i.e. investment risk.

b) 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.

c) Provident Fund

The Company has set up provident fund trust wherein contributions are made. However inaccordance with Ind-AS 19, Employee Benefits, 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 , acturial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary Society of India.

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:

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020 :

(₹ in lakhs)

Particulars	1 April 2019	Current service cost	Past service cost	Net interest expense / income	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Other adjustments	Contributions by employer	31 March 2020
	Cost charged to statement of profit or loss						Remeasurement gains/(losses) in OCI							
(A) Gratuity plan:														
Defined benefit obligation	(4,831.80)	(232.75)	-	(375.26)	(608.01)	460.68	-	0.20	(68.12)	(414.00)	(481.92)	-	-	(5,461.05)
Fair value of plan assets	3,484.79	-		270.65	270.65	(460.68)	(43.15)	-	-	-	(43.15)	-	-	3,251.61
Benefit (liability)	**(1,347.01)**				**(337.36)**	**-**					**(525.07)**	**-**	**-**	**(2,209.44)**

(B) Post retirement medical benefits plan:														
Defined benefit obligation	(73.39)	-		(5.70)	(5.70)	-	-	(0.39)	(6.67)	8.02	(0.96)		-	(78.13)
Benefit (liability)	**(73.39)**				**(5.70)**						**(0.96)**		-	**(78.13)**

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2019:

(₹ in lakhs)

Particulars	1 April 2018	Current service cost	Past service cost	Net interest expense / income	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Other adjustments	Contributions by employer	31 March 2019
	Cost charged to statement of profit or loss						Remeasurement gains/(losses) in OCI							
(A) Gratuity plan:														
Defined benefit obligation	(3,850.17)	(229.27)	-	(298.18)	(527.45)	170.49	-	2.92	(55.34)	(255.94)	(308.36)	(316.31)	-	(4,831.80)
Fair value of plan assets	3,401.76	-		263.45	263.45	(170.49)	(24.26)	-	-	-	(24.26)		14.33	3,484.79
Benefit (liability)	**(448.41)**				**(264.00)**	**-**					**(332.62)**	**(316.31)**	**14.33**	**(1,347.01)**

(B) Post retirement medical benefits plan:														
Defined benefit obligation	(46.91)	-		(3.63)	(3.63)	-	-	-	(23.32)	0.47	(22.85)	-	-	(73.39)
Benefit (liability)	**(46.91)**				**(3.63)**						**(22.85)**	**-**	**-**	**(73.39)**

Provident Fund:

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020 and March 31, 2019:

(₹ in lakhs)

Particulars	2019 - 2020			2018 - 2019		
	Defined benefit obligation	Fair value of plan assets	Benefit asset	Defined benefit obligation	Fair value of plan assets	Benefit asset
Opening balance	**(17,908.40)**	**18,137.94**	**229.54**	(16,207.17)	16,367.75	160.58
Service cost	(664.69)	-	(664.69)	(457.45)	-	(457.45)
Net interest (expense)/income	(1,498.97)	1,568.93	69.96	(1,459.89)	1,399.44	(60.45)
Benefits paid	2,604.01	(2,604.01)	-	1,796.33	(1,796.33)	-
Return on plan assets (excluding amounts included in net interest expense)	-	(37.32)	(37.32)	-	35.69	35.69
Actuarial changes arising from changes in financial assumptions	-	-	-	-	-	-
Experience adjustments	(30.88)	-	(30.88)	(11.28)	-	(11.28)
Settlement/ transfer in	(149.33)	145.38	(3.95)	(373.38)	478.38	105.00
Contributions by plan participant / employees	(1,476.00)	1,476.00	-	(1,195.56)	1,195.56	-
Contributions by employer	-	664.69	664.69	-	457.45	457.45
Closing balance	**(19,124.26)**	**19,351.61**	**227.35**	(17,908.40)	18,137.94	229.54

The Company expects to contribute Rs.288 lakhs (31 March 2019 : Rs 241 lakhs) and Rs.718 lakhs (31 March 2019 : Rs.458 lakhs) to gratuity trust and provident fund trust respectively in the next financial year.

The principal assumptions used in determining gratuity, provident fund and post-employment medical benefit obligations for the Company's plans are shown below:

Particulars	31 March 2020	31 March 2019
	%	%
Discount rate:		
Gratuity plan	6.85	7.75
Provident Fund	6.85	7.75
Post retirement medical benefits	6.70	7.75
Future salary increase:		
Gratuity plan	8% for first two years and 6.5% thereafter	9% for first two years and 7.5% thereafter

A quantitative sensitivity analysis for significant assumptions as at 31 March 2020 is shown below:

Gratuity plan:

Particulars	31 March 2020		31 March 2020	
Assumption	**Discount rate**		**Future salary increase**	
Sensitivity Level	1% Increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	(326.91)	366.09	310.63	(308.85)

Provident Fund

Particulars	31 March 2020	
Assumption	**Interest rate guarantee**	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	1,128.33	(95.48)

Post retirement medical benefits plan:

Particulars	31 March 2020	
Assumption	**Discount rate**	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	(6.37)	7.36

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated.

A quantitative sensitivity analysis for significant assumptions as at 31 March 2019 is shown below:

Gratuity plan:

Particulars	31 March 2019		31 March 2019	
Assumption	**Discount rate**		**Future salary increase**	
Sensitivity Level	1% Increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	(305.77)	342.63	310.95	(301.21)

Provident Fund

Particulars	31 March 2019	
Assumption	**Interest rate guarantee**	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	1,006.55	(55.29)

Post retirement medical benefits plan:

(₹ in lakhs)

Particulars	31 March 2019	
Assumption	**Discount rate**	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation (Rs. in lakhs)	(5.84)	6.74

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.

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting period is 6 years.

Investment pattern in plan assets:

Particulars		Gratuity		Provident fund	
		2019-20	2018-19	2019-20	2018-19
Investment with insurers/Govt Securities/ Corporate bonds/Equity shares/ Equity oriented mutual funds		100%	100%	100%	100%

Maturity Profile of Defined benefit obligation:

(₹ in lakhs)

31 March 2020	Within next 12 months	Between 2 and 5 years	Between 6 and 10 years	Beyond 10 Years
Gratuity	485.98	2,798.95	3,360.61	2,624.70
Post retirement medical benefits plan	4.93	21.37	29.54	84.91

31 March 2019	Within next 12 months	Between 2 and 5 years	Between 6 and 10 years	Beyond 10 Years
Gratuity	435.05	2,148.60	3,398.77	3,212.28
Post retirement medical benefits plan	4.89	21.32	29.86	93.12

30) Earnings per share (Basic and Diluted)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to the equity shareholders of the Company (Rs. in lakhs)	**19,404.75**	15,905.16
Weighted average number of equity shares - Nominal value of share at Rs. 1000/- per share	**57,54,500**	57,54,500
Earnings per share (Basis and Diluted) (Rs.)	**337.21**	276.40

31) Related party disclosures

a) Name of Related Parties

i) Holding Company

Zuari Maroc Phosphates Private Limited

ii) Joint Venturer of the Holding Company

Zuari Agro Chemicals Limited

OCP S.A, Morocco

iii) Subsidiary of the Joint Venturer of the Holding Company

Mangalore Fertilizers and Chemicals Ltd

iv) Party having significant influence

Indian Furniture Products Limited

Zuari Management Services Limited

Zuari Insurance Broker Limited

Zuari Infraworld India Limited

Zuari Rotem Speciality Fertilizers Ltd

Simon India Ltd

Phosphates De Boucraa SA

Pakistan Maroc Phosphore

Jorf Fertiliser SA

Adventz Finance Private Limited

v) Joint Venture of Joint Venturer of the Holding Company

Indo Maroc Phosphore SA, Morocco

vi) Associate of the Company

Zuari Yoma Agri Solutions Limited

vii) Key Managerial Personnel

Mr. N. Suresh Krishnan, Managing Director (w.e.f. 16 February 2020)

Mr. Sunil Sethy, Managing Director (up to 15 February 2020)

Mr. Sailesh Pati, Chief Financial Officer

Mr. Ranjit Singh Chugh, Chief Operating Officer

Mr. Suvendu Kumar Kar, Asst. Company Secretary (up to 1 October 2018)

Ms. Asheeba Pareira, Asst. Company Secretary (w.e.f. 5 February 2019 up to 8 August 2019)

Mr. Sisir Kumar Mishra, Company Secretary (w.e.f. 9 August 2019)

viii) Directors

Mr. Marco P.A Wadia, Independent Director

Mrs. Kiran Dhingra, Independent Director

ix) Enterprise where Director is a Relative of Directors

Lionel India Limited

Texmaco Rail Limited

x) Employee benefit trust

PPL Employee's Provident Fund

Note 31(b) Related Party Transactions

(₹ in lakhs)

Sl. No.	Name of Related Party	Relationship		Nature of transaction	Amount		Outstanding as at	
					For the year ended 31 March 2020	For the year ended 31 March 2019	31 March 2020	31 March 2019
1	Indo Maroc Phosphore S.A. Morocco	Joint Venturer of the Holding Company	a)	Phosphoric acid purchase	16,415.26	32,472.88	3,879.59 Cr	317.57 Cr
			b)	Demurrage Expenes	0.81	14.40	-	-
			c)	Demurrage Written back	11.88	1.99	-	-
			d)	Re-imbursement of Expenses	-	60.28	-	-
			e)	Claims Written off	-	4.36	-	-
2	OCP, S.A. Morocco	Joint Venturer of the Holding Company	a)	Rock phosphate purchase (net of claims settled & received)	39,416.84	23,638.33	12,703.42 Cr	17,927.85 Cr
			b)	Claims receivable	-	-	4,663.61 Dr	5,263.26 Cr
			c)	Phosphoric acid purchase (net of claims settled & received)	15,470.60	44,376.80	-	-
			d)	Demurrage expenses (net of dispatch money)	165.33	169.69	-	-
			e)	Demurrage Written back	45.94	47.76	-	-
			f)	Reimbursement of expenses	-	108.81	0.76 Dr	0.76 Dr
3	Pakistan Maroc Phosphore S.A.	Party having Significant Influence	a)	Phosphuric acid purchase	-	7,717.10	4.85 Cr	4.43 Cr
			b)	Demurrage	-	4.43	-	-
4	Phosphates De Boucraa S.A.	Party having Significant Influence	a)	Rock phosphates purchase	46,601.61	56,040.81	6,705.19 Cr	14,411.68 Cr
			b)	Demurrage expenses	46.46	302.34	-	-
			c)	Demurrage Written back	34.76	85..84	-	-
			d)	Claims receivable	-	-	1,641.03 Dr	4,301.29 Dr
			e)	Reimbursement of expenses	-	55.49	-	-

(₹ in lakhs)

Sl. No.	Name of Related Party	Relationship		Nature of transaction	Amount		Outstanding as at	
					For the year ended 31 March 2020	For the year ended 31 March 2019	31 March 2020	31 March 2019
5	Jorf Fertiliser SA	Party having significant influence	a)	Phosphuric acid purchase	**8,186.48**	5,996.07	**83.35 Cr**	3,185.01 Cr
			b)	Demurrage expenses	**75.03**	1.85	**-**	-
			c)	Claims receivable	**-**	-	**212.08 Dr**	19.91 Dr
			d)	Reimbursement of expenses	**-**	5.74	**-**	-
6	Zuari Yoma Agri Solutions Limited	Associate Company	a)	Purchase of Ordinary shares	**356.60**	9.01	**365.60 Dr**	9.01 Dr
			b)	Reimbursement of expenses	**4.15**	52.03	**56.18 Dr**	52.03 Dr
7	Zuari Agro Chemicals Limited	Joint venture of the Holding Company	a)	Sale of fertilizers	**7,496.11**	16,250.45	**35,384.12 Dr**	29.589.69 Dr
			b)	Purchase of traded goods	**9,856.86**	24,259.60	**629.63 Cr**	10,727.39 Dr
			c)	Demurrage	**12.56**	-	**21.68 Dr**	9.12 Dr
			d)	Claims receivable	**-**	874.11	**874.11 Dr**	874.11 Dr
			e)	Bank charges(net)	**-**	18.36	**18.36 Dr**	18.36 Dr
			f)	Interest income on overdue receivable	**758.69**	1,532.38	**2,549.67 Dr**	1,790.98 Dr
			g)	Reimbursement of expenses	**250.44**	441.52	**890.81 Cr**	728.18 Cr
			h)	Branding commission	**319.83**	110.73	**465.74 Cr**	145.90 Cr
			i)	Exchange loss	**-**	22.47	**22.47 Cr**	22.47 Cr
			j)	Purchase of Fertilizer	**-**	6.78	**7.67 Dr**	7.67 Dr
			k)	Purchase of Seeds	**-**	-	**90.45 Dr**	90.45 Dr
8	Simon India Limited	Party having significant influence	a)	Purchase of fixed asset	**24.19**	412.15	**24.19 Dr**	-
			b)	Retention money	**124.74**	-	**42.53 Cr**	167.28 Cr
			c)	Reimbursement of expenses	**0.42**	-	**0.42 Dr**	-
9	Zuari Management Services Limited	Party having significant influence	a)	Reimbursement of expenses	**482.43**	448.84	**-**	39.09 Cr
10	Zuari Infraworld India Limited	Party having significant influence	a)	Reimbursement of expenses	**-**	-	**1.34 Dr**	0.45 Dr

(₹ in lakhs)

Sl. No.	Name of Related Party	Relationship		Nature of transaction	Amount		Outstanding as at	
					For the year ended 31 March 2020	For the year ended 31 March 2019	31 March 2020	31 March 2019
11	Mangalore Chemical & Fertilizers Ltd	Subsidiary of the Joint venturer of the Holding Company	a)	Sale of fertilizer and sulphuric Acid	-	1,491.99	-	371.19 Dr
			b)	Purchase of fertilizer	463.14	481.90	9.22 Dr	856.72 Cr
			c)	Bank charges	-	15.05	-	15.05 Dr
			d)	Interest income on overdue receivable	-	-	7.07 Dr	7.07 Dr
			e)	Reimbursement of expenses	140.10	-	86.29 Cr	-
			f)	Exchange loss	-	34.72	-	-
			g)	Other expenses	-	0.07	-	0.07 Dr
12	Lionel India Limited	Enterprise where Director is a Relative of Directors	a)	Purchase of air ticket	125.30	226.68	0.07 Cr	16.08 Cr
			b)	Security Deposit	-	-	0.97 Cr	-
13	Texmaco Rail Limited	Enterprise where Director is a Relative of Directors	a)	Reimbursement of expenses	8.43	6.75	-	0.64 Cr
			b)	Security Deposit	-	-	1.55 Dr	1.55 Dr
14	Adventz Finance Private Limited	Party having significant influence	a)	Reimbursement of expenses	43.83	-	-	-
			b)	Security Deposit	42.00	-	42.00 Dr	-
15	Zuari Maroc Phosphates Private Ltd	Holding Company	a)	Dividend Paid	4,629.61	4,629.61	-	-
			b)	Reimbursement of expenses	-	-	0.46 Dr	0.46 Dr
16	Mr N Suresh Krishnan	Managing Director	a)	Managerial remuneration	22.67	-	-	-
17	Mr Sunil Sethy	Managing Director	a)	Managerial remuneration	70.99	90.00	-	-
18	Mr Ranjit Singh Chugh	Chief Operating Officer	a)	Remuneration	155.03	55.30	-	-
19	Mr Sailesh Pati	Chief Financial Officer	a)	Remuneration	59.14	49.14	-	-
20	Mr Suvendu Kar	Asst Company Secretary	a)	Remuneration	-	3.76	-	-
21	Ms Asheeba Pereira	Asst Company Secretary	a)	Remuneration	1.94	0.65	-	-
22	Mr Sisir Kumar Mishra	Company Secretary	a)	Remuneration	19.99	-	-	-
23	Mrs Kiran Dhingra	Independent Director	a)	Director Sitting Fee	3.50	3.50	-	-
24	Mr Maroc P.A. Wadia	Independent Director	a)	Director Sitting Fee	3.50	3.50	-	-
25	PPL Employee's Provident Fund	Employee benefit trust	a)	Contribution to provident fund	664.69	457.45	45.20 Cr	32.04 Cr

32) (a) Forward contract outstanding as at 31 March 2020 against import of goods is Rs. 99,208.62 lakhs (Previous year Rs.1,20,194.23 lakhs).

(b) Details of un-hedged foreign currency exposure as on the Balance Sheet date are as follows:

Particulars	As at 31 March 2020			As at 31 March 2019		
	(USD million)	(EUROmillion)	(Rs. in lakhs)	(USD million)	(EUROmillion)	(Rs. in lakhs)
Trade Payable and Creditors for Property Plant and Equipment (including acceptance)	**38.32**	**0.49**	**29,403.31**	12.02	-	8,309.81
Claims recoverable	**10.93**	**-**	**8,269.34**	15.53	-	10,739.44
Short term borrowings- Buyers and Suppliers Credit	**26.81**	**-**	**20,287.68**	13.11	-	9,063.90
Other Interest accrued but not due on borrowings	**0.38**	**-**	**284.68**	0.28	-	193.01

33) 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 Rs. 2,344.62 lakhs (previous year Rs. 2,178.82 lakhs) against the demand raised by Paradeep Port Trust.

34) 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 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.

35) 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 Rs. 566.01 lakhs (including interest of Rs. 418.01 lakhs) during the financial year 2010-11. The outstanding liability as on 31 March 2020 stands at Rs. 250.18 lakhs (Previous year Rs. 250.18 lakhs) after making payment to Spl. LAO.

36) 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 March 2020 as Rs. 207.52 lakhs (Previous year Rs. 200.80 lakhs)

37) Managerial Remuneration*

(₹ in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salary	**93.66**	90.00
	93.66	90.00

* The remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits as these are determined on the basis of actuarial valuation report for the Company as a whole.

38) During the year, a sum of Rs. 100.10 lakhs (Previous year Rs. 84.25 lakhs) including capital expenditure of Rs. 2.30 lakhs (Previous year of Rs. 5.22 lakhs) was spent on research and development (excluding depreciation charge).

39) Fair Values

Set out below, the class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in lakhs)

Particulars	Carrying value		Fair value	
	March 31 2020	March 31 2019	March 31 2020	March 31 2019
Financial assets				
Others:				
Derivative financial asset	3,421.70	-	**3,421.70**	-
Total financial assets	3,421.70	**-**	**3,421.70**	**-**
Financial Liabilities				
Borrowings				
Long term borrowing (Floating rate)	21,887.94	28,810.77	21,887.94	28,810.77
Others:				
Derivative financial liability	-	3,557.16	-	3,557.16
Employee related dues	15.07	93.11	15.07	93.11
Total financial liabilities	**21,903.01**	32,461.04	**21,903.01**	32,461.04

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.

40. Fair value measurements

(i) Financial instruments by category

(₹ in lakhs)

	March 31 2020			March 31 2019		
	FVTPL	**FVOCI**	**Amortised cost**	FVTPL	FVOCI	Amortised cost
Financial assets						
Claims receivable	-	-	**8,277.50**	-	-	10,737.39
Interest receivable on deposits, receivables etc	-	-	**2,609.80**	-	-	1,851.50
Other receivables from related parties	-	-	**56.18**		-	52.03
Derivative financial assets	**3,421.70**	-	-	-	-	-
Trade receivables	-	-	**2,14,890.06**	-	-	2,34,214.53
Cash and cash equivalents	-	-	**408.55**	-	-	1,873.96
Bank balance other than cash and cash equivalents	-	-	**173.17**	-	-	148.10
Total Financial assets	**3,421.70**	-	**2,26,415.26**	-	-	2,48,877.51
Financial liabilities						
Long term borrowings (Floating rate)	-	-	**21,887.94**	-	-	28,810.77
Short term borrowings	-	-	**2,07,907.08**	-	-	2,83,488.89
Trade and other payables	-	-	**84,890.05**	-	-	80,261.27
Derivative financial liabilities	-	-	-	3,557.16	-	-
Security deposits	-	-	**1,831.39**	-	-	1,450.58
Total Financial liabilities	-	-	**3,16,516.46**	3,557.16	-	3,94,011.51

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Assets for which fair values are disclosed (Note 40)					
Derivative financial asset	31.03.2020	3,421.70	-	3,421.70	-

There have been no transfers between level 1, level 2 and level 3 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2019 :

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Liabilities measured at fair value					
Liabilities for which fair values are disclosed (Note 40)					
Derivative financial liability	31.03.2019	3,557.16	-	3,557.16	-

There have been no transfers between level 1, level 2 and level 3 during the year.

41. 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.

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 in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

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.

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 March 2020 and 31 March 2019.

a). 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. To be updated with company specific exposures and policy of the management to mitigate these risks.

Interest rate sensitivity

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 is affected through the impact on floating rate borrowings, as follows:

(₹ in lakhs)

Particulars	Increase / decrease in basis points	Effect on profit before tax (Decrease)/ Increase
31 March 2020		
INR Borrowings	+50	(638.58)
Foreign Currency Borrowings	+50	(491.78)
INR Borrowings	-50	638.58
Foreign Currency Borrowings	-50	491.78
31 March 2019		
INR Borrowings	+50	(957.54)
Foreign Currency Borrowings	+50	(492.16)
INR Borrowings	-50	957.54
Foreign Currency Borrowings	-50	492.16

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

b) 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.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended 31 March 2020

(₹ in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax (Decrease)/Increase
USD	+5%	(2,065.16)
	-5%	2,065.16
EURO	+5%	(20.47)
	-5%	20.47

For the year ended 31 March 2019

(₹ in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax (Decrease)/Increase
USD	+5%	(341.36)
	-5%	341.36

c) Commodity price risk

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, shulphur 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.

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.

a) 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

Particulars	Amount Rs. In Lakhs
Loss allowance as on 1st April 2018	1,449.00
Changes in loss allowance during 2018-19	718.49
Loss allowance as on 31st March 2019	**2,167.49**
Changes in loss allowance during 2019-20	659.09
Loss allowance as on 31st March 2020	**2,826.58**

b) 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.

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.

(₹ in lakhs)

Particulars	Less than1 Year	1-2 Years	2-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2020						
Borrowings	2,15,907.08	11,000.00	3,000.00	-	-	2,29,907.08
Other financial liabilities	6,106.68	-	-	-	-	6,106.68
Trade payables	80,614.50	-	-	-	-	80,614.50
	3,02,628.26	**11,000.00**	**3,000.00**	-	-	**3,16,628.25**
Year ended 31 March 2019						
Borrowings	2,90,411.72	7,945.70	10,945.45	2,996.78	-	3,12,299.65
Other financial liabilities	10,858.34	138.72	-	-	-	10,997.06
Trade payables	70,793.97	-	-	-	-	70,793.97
	3,72,064.03	8,084.42	10,945.45	2,996.78	-	3,94,090.68

42. 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 cover 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.

43. The Country wide lockdown had been announced from March 25, 2020 due to COVID-19 pandemic. The Government Authorities gave relaxations to the manufacturing and distribution units of fertilizer companies. The Company's production, despatches, sales and market collections remained unaffected. The Company took several pro-active measures, namely by mobilizing its critical work force, locating them within factory premises and adopting stringent social distancing procedures. This helped the company to overcome manpower challenges faced due to lockdown. The Company has made an assessment of its capital and financial resources including liquidity position and ability to service debt and other financing arrangements for next one year. The Company has also assessed the recoverability of the carrying values of its assets such as property, plant and equipment, inventory, trade receivables, investments and other current assets as at balance sheet date and has concluded that there is no impact of COVID-19 thereon. Further, the Company has also evaluated impact of COVID-19 on internal financial controls over financial statements and concluded that there is no impact of COVID-19 thereon. The Company would continue to monitor and assess the impact of COVID-19.

44. Rent and warehouse rent expense included in Note No. 25 represents expenses incurred in respect of short term leases. The Company has adopted Ind AS 116 – "Leases" with effect from 1 April 2019 using modified retrospective approach. The impact of adoption is not material.

45. As per section 135 of the Companies Act, 2013, the Company has incurred expenses on corporate social responsibility (CSR) amounting Rs. 447.69 lakhs (Previous year Rs. 200.16 lakhs) for CSR activities for the purposes other than construction/acquisition of any asset. The gross amount required to be spent by the Company as per section 135 was Rs. 404.12 lakhs (Previous year Rs. 276.30 lakhs).

S.No	Particulars	₹ In lakhs
a.	Gross amount required to be spent by the Company during the year.	404.12
b (i).	Amount spent during the year on construction/acquisition of any asset	-
b (ii).	Amount spent during the year on purposes other than construction/acquisition of any asset is as below:	
	– Contribution to OSDMA	125.00
	– Education & health	62.97
	– Water Sanitation, Health & Hygiene	76.29
	– Village Community Infrastructure Development	72.97
	– Skill Development & Livelihood promotion	27.60
	– Livelihood promotion for marginalised houses	20.59
	– Environment & Biodiversity	26.53
	– Old age care / children with no parental care etc	7.07
	– Women empowerment	8.12
	– Emergency Relief support to poor in case of Disaster	6.62
	– Livelihoods promotion for Women & Youth	11.60
	– Support for Household Energy Needs (Renewable Energy)	2.33

46. The Company during the current year has valued stock of treated gypsum, a by-product, at a valuation of Rs. 13,154.55 lakhs in accordance with the recognition and valuation principles laid down in Ind AS 2 – "Inventories".

47. The Government of India, on 20th September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company is continuing to provide for income tax at old rates, based on the available outstanding MAT credit entitlement and other exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly reversed net deferred tax liability of Rs. 4,324.81 lakhs.

48. Changes in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Period (1 April-31 March)	Opening Balance	Cash flows	Adjustments	Closing Balance
Long term borrowings (Refer Note 12a)	**2019-20**	**28,810.77**	**(7,000.00)**	**77.17**	**21,887.94**
	2018-19	34,712.24	(6,000.00)	98.53	28,810.77
Short term borrowings (Refer Note 12b)	**2019-20**	**2,83,488.89**	**(79,386.24)**	**3,804.43**	**2,07,907.08**
	2018-19	1,51,347.26	1,31,178.20	963.43	2,83,488.89

Adjustments represent foreign exchange fluctuation and unwinding of interest expense

49. (a) Additional Information on Entities pursuant to para 2 of general instructions for preparation of restated consolidated financial information

Name of The Entity	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 a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit/(Loss)	Amount	As a % of Consolidated Other Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Company								
Paradeep Phosphates Limited	99.81	1,60,041.08	100.43	19,404.75	112.72	(340.97)	100.23	19,063.78
Associate company								
Zuari Yoma Agri Solutions Limited	0.19	312.26	(0.43)	(82.82)	(7.05)	21.33	(0.32)	(61.49)
Consolidation adjustments	-	-	-	-	(5.67)	17.15	0.09	17.15
Total	**100.00**	**1,60,353.34**	**100.00**		**100.00**	(302.49)	**100.00**	**19,019.44**

49. (b) Details of investment in associate accounted for under equity method

Particulars	31 March 2020	31 March 2019
Investment in unquoted ordinary shares carried at cost		
Investment in unquoted ordinary shares carried at cost		
5,12,500 (31 March 2019 – 12,500) ordinary shares of USD 1 each fully paid up of Zuari Yoma Agri Solutions Limited	**356.60**	9.01
Less: Share of loss in associate	**(44.34)**	(9.01)
Net investment in associate	**312.26**	-

50. Receivables include Rs. 36,937.41 lakhs (net) due from Zuari Agro Chemicals Limited (ZACL), a related party. ZACL has confirmed the outstanding balance which is in agreement with the books of the Company. The Company's management has discussed a plan for the settlement of these dues with ZACL. Pursuant to the settlement plan, the Board of Directors of the Company, in its meeting held on 18 June 2020, among other steps, has given an in-principle approval for acquisition of certain assets of ZACL on slump sale basis. The Company, therefore, believes that the amount outstanding will be fully recovered through such settlement, in due course of time

51. The disclosure regarding holdings and dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

As per our report of even date
For B S R & CO. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

JAYANTA MUKHOPADHYAY
Partner
Membership no.: 055757

Place: Kolkata
Date: 18th June 2020

For and on behalf of the Board of Directors of Paradeep Phosphates Limited
(CIN: U24129OR1981PLC001020)

N. SURESH KRISHNAN
Managing Director
(DIN: 00021965)
Place: Gurugram

S.K. PODDAR
Chairman
(DIN- 00008654)
Place: Dubai

SISIR KUMAR MISHRA
Company Secretary
Place: Bhubaneswar
Date: 18 June 2020

SAILESH PATI
Chief Financial Officer
Place: Bhubaneswar

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