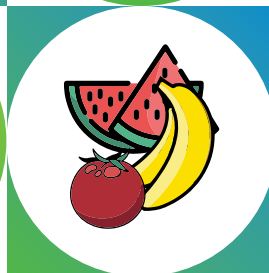
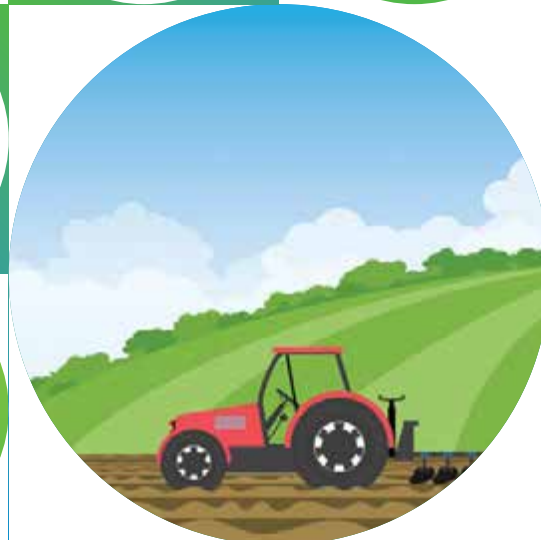




Paradeep Phosphates Limited

Strengthening  
**CAPACITY.**

Nurturing  
**SUSTAINABILITY.**



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An electronic version of this report is available  
online at: [https://www.paradeepphosphates.com/  
investors](https://www.paradeepphosphates.com/investors)  
Or scan this QR code





## INVESTOR INFORMATION

Market Capitalisation as on 31 <sup>st</sup> March 2023	₹ 41.1 Billion
CIN	L24129OR1981PLC001020
BSE Code	543530
NSE Symbol	PARADEEP
Bloomberg Code	PARADEEP:IN
Dividend Declared	₹ 0.50 per equity share of face value of ₹ 10/- each
AGM Date	26 <sup>th</sup> September , 2023

## Disclaimer

This document contains statements about expected future events and financials of Paradeep Phosphates Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



# Strengthening **CAPACITY.**

# Nurturing **SUSTAINABILITY.**

**While industrial growth and technological evolution have been considered to be the front-bearers of human growth, it is important to ensure adequate food security for the billions that toil across various industrial sectors and in agricultural activities globally. With the rise in population, and continuous demand to ensure adequate nutrition for people, usage of fertilisers has also increased exponentially in the farming sector.**

As the second largest private sector producer of phosphatic fertilisers in India, Paradeep Phosphates Limited (PPL), has been a key player in ensuring adequate soil enrichment to support food production in India. Over 8 million farmers currently trust the Company, and we are constantly focussing on strengthening capacity to nurture the sustainability of food production in India. Our commitment is not only towards ensuring food security for all Indians, but also tread the path of balanced growth with minimal environmental impact.

PPL's efforts towards reducing water and air pollution, protecting the ecologies, safe handling of hazardous waste, and cutting down noise pollution exemplify the seriousness that is attributed to the

cause of sustainability. We assiduously adhere to all applicable laws and regulations governing the discharge, emission, storage, handling, and disposal of substances involved in our operations. Further, the Company has been relentlessly pursuing the goal of adopting renewable energy sources, promoting energy efficiency through tech advancements, conservation of water resources, and implementing a zero-effluent discharge policy. Each step taken towards mitigating the environmental impact of our operations without compromising on our support to the agriculture sector in India is aimed at strengthening capacity and nurturing sustainability for a prosperous India, and the planet at large.





# 3

 MMTPA

Installed Capacity by  
End of 2022-23

# 150%

Capacity Expansion

# 2

Manufacturing Plants



## ABOUT THE COMPANY

# India's Second-largest Integrated Private Sector Fertiliser Company

Paradeep Phosphates boasts a rich history of more than 40 years in providing world-class soil and crop specific fertilisers to Indian farmers. The Company's unwavering dedication to enhancing its capabilities and promoting sustainability has propelled it to great heights in the fertiliser industry.

Founded in 1981, Paradeep Phosphates Limited (referred to as 'PPL' or 'The Company') has secured its position as the second-largest private sector phosphatic fertiliser company in India. PPL's strategic acquisition of the fertiliser facility in Mormugao, Goa, stands as a pivotal factor in amplifying its phosphatic fertiliser production capabilities and augmenting the Company's urea manufacturing proficiency. This strategic move has led to a significant expansion of PPL's operations, working together with its activities in Paradeep, Odisha, to strengthen its position in the industry.

With a dedication to excellence, PPL employs six interchangeable production lines to craft an extensive spectrum of phosphatic fertilisers, encompassing N20, N12, N10, and DAP variants, among others. The Company's commitment to delivering exceptional products finds tangible validation in the widespread acclaim and triumph of its flagship brands, namely 'Jai Kisaan' and 'Navratna'.

### Strengthening Capacity: Quick Facts About the Company

# 3.0

MMTPA

Installed Capacity by the end of 2022-23

# 15

States

Geographical Presence

# 6,500+

Dealers

# 65,500+

Retailers

# 8

Million +

Farmer Connect

# 21

Regional Marketing Offices

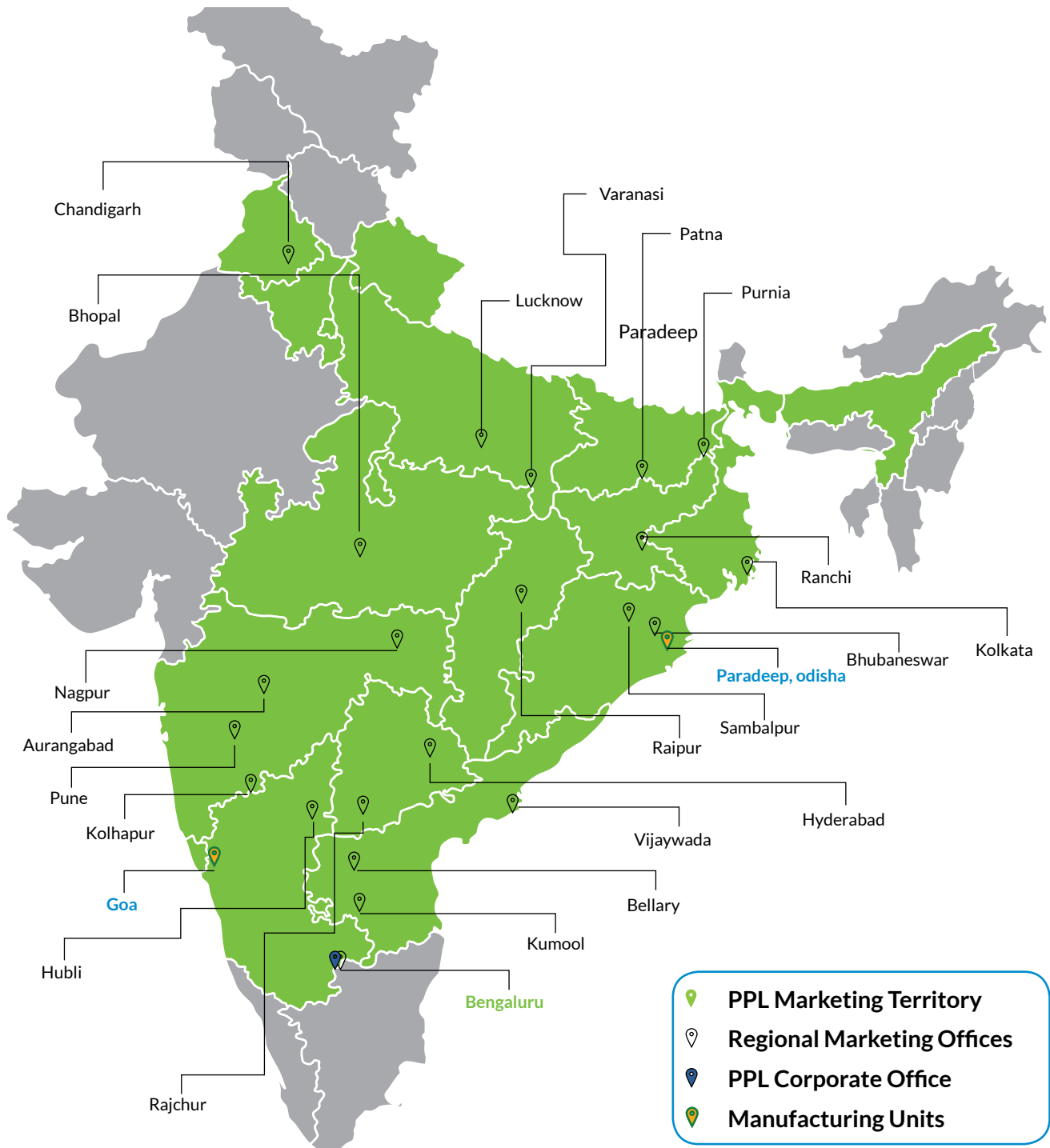






## GEOGRAPHIC PRESENCE

### PPL Marketing Territory



This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.



## Strengthening Capacity and Nurturing Sustainability through Effective Strategies [Continued in Our Strategies, Outcomes and Goals]

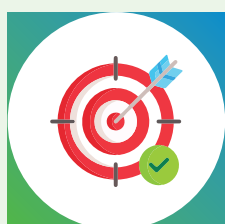
Strengthening market leadership through new installations and offerings

Becoming more profitable through increased backward integration

Expanding distribution channels to increase reach

Growing inorganically through acquisitions

Manufacturing facilities at strategic locations



### Vision

To be the one-stop solution for the farm economy.



### Mission

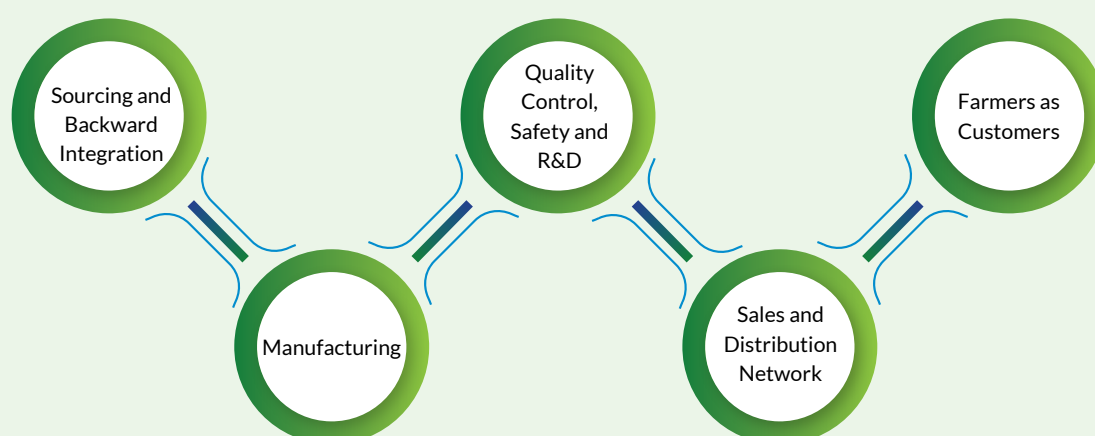
To create value for farmers and stakeholders by providing integrated agri solutions to all farm needs.

## Our Core Values



## Our Value Chain

With a strong emphasis on integrating deeply into the value chain and the added benefit of self-reliant power generation, we stand tall.



## OUR JOURNEY

# Strengthening Outcomes and Nurturing Growth: Journey since Inception

1981-1993 →



## 1981

Paradeep Phosphates Limited (PPL) was incorporated as a joint venture between the Government of India and the Republic of Nauru at Paradeep, Odisha



## 1986

Di-ammonium phosphate (DAP) plant (Phase I) commissioned



## 1992

Sulphuric acid plant, phosphoric acid plant and captive power plant (Phase II) commissioned



## 1993

Republic of Nauru divested its stake in PPL, making it a public sector enterprise

2002-2009 →



## 2002

Government of India disinvested 74% of its stake in PPL to Zuari Maroc Phosphates Private Limited (ZMPPL) – a joint venture between Zuari Agro Chemicals Limited (ZACL) and OCP Group in Morocco



## 2003

Rights issue entirely subscribed by ZMPPL, increasing its stake to 80.45% of the paid-up equity share capital



## 2009

ISO 14001:2004 and ISO 9001:2008 certifications obtained



2010-2019 →

**2010**

BS OHSAS 18001:2007 certification obtained

**2018**

PPL's joint venture, Zuari Yoma Agri Solutions Limited, incorporated

**2019**

ISO/IEC 27001:2013, ISO: 9001:2015, ISO: 14001:2015 and ISO: 45001:2018 certifications obtained

2020-2022 →

**2020**

Product Steward Excellence Certificate under IFA Protect and Sustain Product Stewardship Programme received

**2021**

ISO: 50001:2018 certification obtained

**2022**

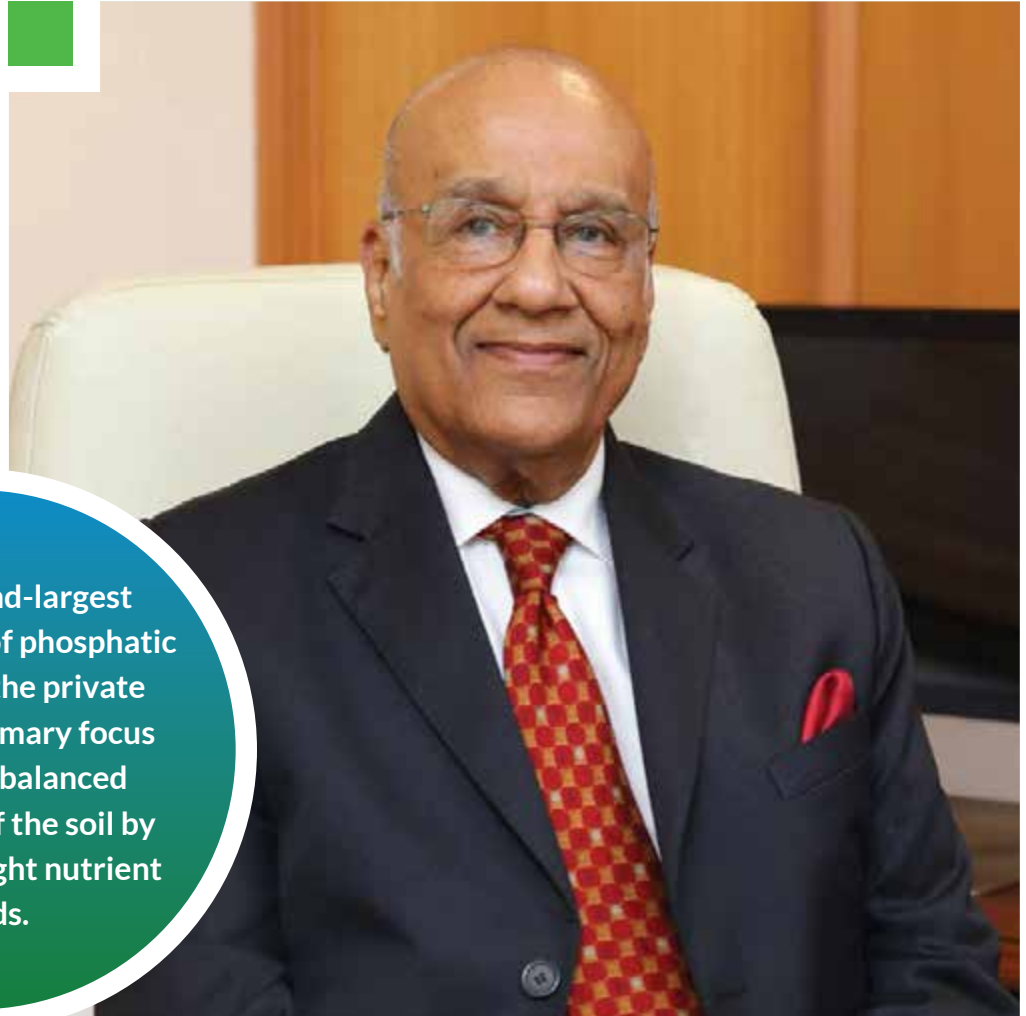
Indian Stock Exchanges listed the Company on 27<sup>th</sup> May with the Government of India exiting it

Goa fertiliser facility of Zuari Agro Chemicals Limited acquired for USD 280 Million in June





# Chairman's Communique



As the second-largest manufacturer of phosphatic fertilisers in the private sector, our primary focus is to ensure balanced fertilisation of the soil by offering the right nutrient blends.

## Dear Shareholders,

The year 2022-23 presented unparalleled challenges in the form of global supply chain disruptions and subsequent inflationary pressures. Along with other factors like rising input costs, including higher fuel and food grain prices, these challenges forced policymakers to take proactive measures to stabilise their economies. Central banks worldwide implemented synchronised policy tightening, which seems to have yielded positive outcomes.

However, in the tumultuous year that went by, India showed remarkable resilience in the face of global headwinds. The country achieved a solid growth rate of 7%, while the Reserve Bank of India (RBI) implemented well-calibrated and systematic interest rate hikes to bring inflation rates back within the target range. Additionally,

swift action by the Government to secure India's food chain, coupled with average rainfall ensured that the food prices are kept in check, thereby ensuring that no Indian goes hungry.

India's food grain production reached 323.55 Million tonnes in 2022-23, showing an increase from the previous year. The country has become a net exporter of agricultural products, with agriculture exports reaching USD 50.2 Billion in the same period. The kharif food grain production for 2022-23 was 149.9 Million tonnes, surpassing the average production of the previous five years.

India's population growth requires increased food and agricultural production, but available agricultural land is decreasing due to urbanisation and industrialisation. This leads to higher pressure on productivity per acre,



resulting in increased reliance on fertilisers. As a result, the demand for fertilisers is expected to remain high. Initiatives like *Aatmanirbhar Krishi* and *Aatmanirbhar Bharat* have reduced India's reliance on imported fertilisers and offer opportunities for domestic fertiliser manufacturers to expand. Factors contributing to increased fertiliser consumption include higher subsidies, improved rural incomes, better access to credit, adoption of technologies like the Internet of Things (IoT), corporate farming, growing farmer awareness of fertiliser benefits, and improved minimum support prices.

Fertilisers play a crucial role in agriculture by providing essential nutrients to the soil in optimal quantities. However, the global challenge lies in producing an adequate supply of sustainable fertilisers to meet the increasing agricultural demands and effectively nourish the growing global population. To achieve this, it is vital to enhance sustainable fertiliser production, which can improve industry efficiency, while minimising harmful emissions.

At PPL, our steadfast commitment lies in achieving harmony between human progress and environmental sustainability. We prioritise and actively engage in mitigating water and air pollution, safeguarding the environment, and responsibly managing waste. These



**The fertiliser market in India is projected to experience a steady growth rate, with a Compound Annual Growth Rate (CAGR) of 4.7% between 2023 and 2028. This anticipated growth is expected to drive the market value significantly in the coming years.**



**PPL specialises in manufacturing and distributing essential macronutrients such as Nitrogen, Phosphorus, Potassium, and micronutrients such as Sulphur, and Zinc. Additionally, we engage in the trading of Muriate of Phosphate, and DAP and additionally sell Ammonia, Sulphuric Acid, Zypmite and Gypsum.**

endeavours reflect our resolute dedication to this cause. We meticulously adhere to all applicable laws and regulations governing the discharge, emission, storage, handling, and disposal of substances involved in our operations. By doing so, we ensure compliance and demonstrate our commitment to environmental stewardship.

We are actively engaged in promoting energy efficiency, embracing clean technologies, adopting renewable energy sources, conserving water resources, and implementing a zero-effluent discharge policy. These may be small steps, but they are significant contributions towards creating a more sustainable future. By greening our operations and embracing eco-friendly practices, we aim to play our part in building a healthier and more prosperous planet.

As the second-largest manufacturer of phosphatic fertilisers in the private sector, our primary focus is to ensure balanced fertilisation of the soil by offering right nutrient blends. PPL specialises in manufacturing and distributing essential macronutrients such as Nitrogen, Phosphorus, Potassium, and micronutrients such as Sulphur, and Zinc. Additionally, we engage in the trading of Muriate of Phosphate, and DAP and additionally sell Ammonia, Sulphuric Acid, Zypmite and Gypsum.





PPL boasts of an extensive distribution network that comprises 21 regional marketing offices, over 450 stock points, a network of 6,500 dealers, and more than 65,500 retailers. This expansive network enables us to reach approximately 8 Million farmers throughout the country, providing them with access to the renowned brands 'Navratna' and 'Jai Kisaan Navratna'.

At PPL, we differentiate ourselves through a robust foundation of engineering analysis and meticulous planning. This is reflected in all our operations and is evident in the exceptional quality of our products. PPL boasts an extensive distribution network that comprises over 21 regional marketing offices, over 450 stock points, a network of 6,500 dealers, and more than 65,500 retailers. This expansive network enables us to reach approximately 8 Million farmers throughout the country, providing them with access to the renowned brands 'Navratna' and 'Jai Kisaan Navratna'.

To assist farmers in selecting the right fertilisers, PPL has established a centralised agricultural development laboratory in Bhubaneswar and operates a fleet of mobile soil testing labs. Moreover, the Company collaborates with the Government of Odisha in a Public-Private Partnership to run the farmer's training school, offering agricultural skills training to farmers in a classroom environment.







**NPK 19 was solely produced by PPL's Goa plant in India until 2022-23, while NPK 28 was produced only by two companies in India, including PPL's Goa Plant.**

Our Goa plant produces a unique bouquet of NPKs like 19 and NPK 28. NPK 19 was solely produced by PPL's Goa plant in India until 2022-23, while NPK 28 was produced only by two companies in India, including PPL's Goa Plant. The plant has also allowed us to expand to developed agricultural markets like Maharashtra, Karnataka, Madhya Pradesh, and Chhattisgarh.

Going forward, our brownfield backward integration plan aims to expand our phosphoric acid capacity from 300,000 tonnes per annum to 500,000 tonnes per annum. This will provide us with a competitive advantage and pave the way for further growth.

At PPL, we prioritise creating an empowering work environment for our employees, fostering enduring relationships and maintaining a low attrition rate. We aim to provide well-rounded experiences that contribute to personal and professional growth.

As a responsible corporate citizen, we recognise our duty to contribute to the socio-economic development of surrounding communities. Through our initiative called 'Navratna Prayas,' we positively impact the lives of approximately 50,000 individuals annually. We collaborate closely with 10,000 households near our plants, addressing livelihoods, education, and health, with a focus on water, sanitation, and hygiene (WaSH). We actively involve women and children in these endeavours, recognising their role in sustainable development and community well-being. Through our initiatives, we strive to make a significant positive impact, working towards a sustainable future for millions of people.

I would like to extend my heartfelt gratitude to all our stakeholders, including shareholders, Board members, employees, customers, suppliers, banks, regulatory bodies, and governments. Your unwavering support has been instrumental in propelling the progress of PPL. Without your invaluable contributions, we would not have achieved the remarkable growth and success that we enjoy today. Thank you for your continued support and trust in our Company.

Best regards,

**S.K. Poddar**  
Chairman



# From the CEO and MD's Desk



We have successfully scaled up our capacity to 3 MMTPA synergising all areas in our value chain across sourcing, product innovation, distribution, and customer-engagement. We have placed sustainability as a central theme in our growth path.

## Dear Shareholders,

Throughout our remarkable 42-year journey, we have discovered and harnessed our true potential, gathering invaluable experiences, and drawing important lessons from various outcomes. As we approach our Golden Jubilee year, I am filled with confidence that the next decade will present abundant opportunities for sustained growth and even greater achievements. Together, we eagerly anticipate embracing these opportunities and ascending to unprecedented heights.

## Our History

Paradeep Phosphates Limited is the second-largest private sector manufacturer and distributor of phosphatic fertiliser. PPL was incorporated in 1981 as a joint venture between the Government of India (GoI) and the Republic of Nauru (RN) to set up a phosphatic fertilisers manufacturing unit at Paradeep, Odisha. Later in 1993, with the divestment of RN's stake, PPL became a public sector enterprise (PSU). Subsequently, in 2002, GoI decided to divest close to 80% of its stake in favour of Zuari Maroc Phosphates Private Limited

(ZMPPL), a joint venture between Zuari Agro Chemicals Limited (ZACL) and the OCP Group S.A. While ZACL is a pre-eminent fertiliser player in India; the OCP Group, based in Morocco, is one of the world's largest phosphatic companies, controlling over 70% of the world's known phosphate reserves.

## Ensuring Food Security

India has achieved remarkable success in ensuring food security and safeguarding the livelihoods of farmers, while also addressing the issue of hunger. This was made possible by the Government's substantial increase in its fertiliser subsidy budget during the year 2022-23. This step was taken in response to the surge in international fertiliser prices and the challenges arising from various factors, such as the Russia-Ukraine conflict and export quotas imposed by China on raw materials.

During these challenging circumstances, PPL has shown its commitment to serving our nation by utilising our enhanced capacity to serve the fertiliser demand of the nation, while formalising sustainability.

### Our Contribution to Safeguarding India's Agricultural Chain

Over the year, we have successfully realised our expanded capacity of 1.8 Million metric tonnes per annum at Paradeep Plant, a significant increase from the previous 1.2 Million metric tonnes per annum. Additionally, our phosphoric acid capacity is in the process of expansion from 300,000 to 500,000 tonnes per annum. Furthermore, we have a dedicated berth at the Paradeep port, along with a 3.4-km long concrete conveyor belt that directly transports raw materials to the plant. We prioritised sustainability and effective resource utilisation. We localised raw materials, enhanced energy efficiency by harnessing heat from production processes, and implemented circularity principles. Backward integration and achieving 100% ZLD in operations reflected our commitment to reducing environmental impact and ensuring responsible practices.

To mitigate potential supply chain constraints, we strategically established our manufacturing units near port facilities, enabling efficient sourcing and implementation of backward integration. A significant enhancement to our operations was the revamping of the four trains at the Paradeep plant, ensuring smooth operations.

The acquisition of the Goa plant has aided in our capacity to reach 3 Million metric tonnes per annum, allowing us to meet the needs of over 8 Million farmers in 15 states. Our extensive network, comprising 21 regional marketing offices, 6,500+ dealers, 65,500+ retailers, and 450+ stock points, combined with a dedicated sales force, has played a pivotal role in ensuring the timely distribution of fertilisers to farmers.

### Notable Achievements of the Year

Despite the challenging geopolitical and macroeconomic environment, PPL has achieved a remarkable top-line performance during the year under review. Our Company recorded its highest-ever annual sales of ₹ 133,407 Million, representing a significant year-on-year growth of 70%. Additionally, our EBITDA increased by 26% to ₹ 8,921 Million, and we achieved a profit after tax of ₹ 3,042 Million.

Looking ahead, I am highly optimistic about the future of the fertiliser industry and the prospects of our Company. With the successful commissioning of our Goa plant at full capacity, both our plants are now operating at their maximum potential. This achievement has positioned us at the forefront, allowing us to play a pivotal role in India's food security efforts. As evidence of our strong market presence, we currently hold a substantial market share of ~8 %.

In 2022-23, we produced a total of 2.032 Million metric tonnes, experiencing a remarkable year-on-year growth of 63%. Moreover, our sales volume reached 2.029 Million metric tonnes, showing a growth of 64% compared to the previous year. We are proud to have effectively converted the manufactured quantity into sold products.

During this period, we enhanced our capacity by 150%, reaching a run rate of 3 Million metric tonnes of finished fertilisers as of December 2022. This includes 1.8 Million tonnes per annum at the Paradeep plant and 1.2 Million

metric tonnes at the Goa plant. We are also making significant progress with our ongoing CAPEX projects, including the development of captive phosphoric acid and the capacity enhancement to 0.5 Million tonnes at the Paradeep site, as well as the installation of the fourth evaporator. These projects, scheduled for completion by the end of the first quarter of 2023-24, will further strengthen our backward integration and capabilities, leading to higher profitability.

Throughout the year, we successfully produced a wide range of complex fertiliser grades at both our Paradeep and Goa sites, providing farmers with improved options for soil and crop-specific nutrition. Notably, our Goa site produced a total of eight varieties of value-added NPK during 2022-23.

### Our Focus for the Year Ahead

With the Goa plant reaching its capacity, our aim is to reap the combined benefits with the expanded capacity of both our plants. Our foundation lies in ensuring sustainability across environment, social and governance. Building upon our growth, we place significant emphasis on increased collaboration with farmers nationwide, while further strengthening our sustainability initiatives in these key areas and promoting balanced fertilisation practices.

The Indian fertiliser industry is experiencing notable progress in innovation, and at PPL, we are actively involved in these advancements. We have developed newer formulations of NPK-based fertilisers, aligning ourselves with industrial innovations. Furthermore, we are currently involved in the development of nano fertilisers, a promising technology that could bring significant advancements to farming practices in India.

As we continue our journey towards digitisation in the agricultural sector, we have leveraged technology to optimise our sales network and incentivise our distribution channels. Our focus on agri service digitisation allows us to enhance efficiency in sales network operations and provide better channel incentives. Furthermore, we have effectively utilised social media platforms, such as YouTube, Facebook, and WhatsApp, to connect with our extensive network of dealers and farmers. Through these channels, we effectively communicate the purpose and brand story of our Company, fostering meaningful engagement and connection.

### A Note of Thanks

I want to sincerely thank the Board members, employees, customers, and suppliers for their invaluable contributions. By working together, we can seize the opportunity to make substantial progress in achieving a hunger-free India. Our goal is to increase agricultural output using environmentally sustainable methods and foster contentment among farmers, who play a crucial role in the food supply chain. Paradeep Phosphates aspires to be a steadfast partner in India's mission to enhance its food production capabilities.

Warm regards,

**N. Suresh Krishnan**  
CEO & Managing Director





## PPL'S POSITION IN THE INDUSTRY

# Strengthening and Nurturing PPL's Industry Position

Paradeep Phosphates Limited has established itself as a prominent player in the industry, solidifying its position as a leading provider of fertilisers and agricultural solutions. With a strong market presence and a customer-centric approach, PPL continues to make significant contributions to the agricultural sector, driving innovation and fostering sustainable growth.

**~8%** Market Share

In Phosphatic Fertilisers during 2022-23

Trusted by

**8** Million +

Farmers

**150%**

Increase in Capacity during 2022-23





## Strengthening Growth with Product Offerings

PPL offers a comprehensive range of fertilisers, including Nitrogen, Phosphate, and Potassium-based products. By providing a diverse selection of nutrient-rich offerings, the Company aims to promote and maintain optimal soil health for agricultural purposes.

PPL has developed a robust and diverse range of products to ensure optimal plant growth, yield, and quality through balanced fertilisation. The Company understands the significance of supplying essential plant nutrients like Nitrogen (N), Phosphorus (P), Potassium (K), in the correct proportions.

With its extensive capabilities, PPL is involved in the production, distribution, trading, and sale of a wide variety of advanced fertilisers. The Company's product lineup includes Urea, DAP (di-ammonium phosphate), and different grades of NPK fertilisers. Additionally, it makes efficient use of by-products generated during

manufacturing processes, such as HFSA (High-Grade Fluorosilicic Acid), phosphogypsum, and zypmite, along with intermediate products like sulphuric acid, phosphoric acid, and ammonia.

Apart from its core fertiliser products, PPL also engages in the sale, trading, and distribution of MOP (Muriate of Potash) and city compost. By offering a comprehensive range of products and utilising various by-products and intermediates, Paradeep Phosphates remains dedicated to supporting farmers and promoting sustainable agricultural practices throughout India.

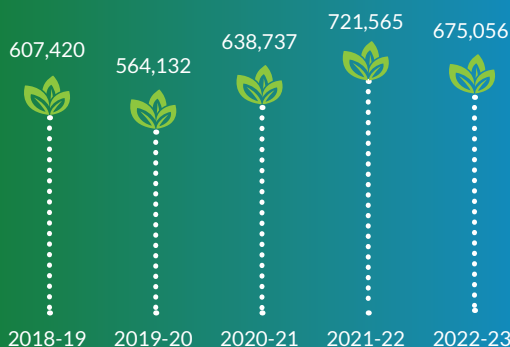
### OUR PORTFOLIO



### DAP

- DAP (Di-ammonium Phosphate) is a granulated and high-quality mineral fertiliser.
- Also available as Jai Kisaan Navratna DAP.

#### VOLUME (MT per annum)



- It predominantly consists of 18% Ammoniacal Nitrogen and 46% Phosphate by weight.
- Highly soluble, it quickly dissolves in the soil to release plant-available phosphate and ammonium.
- The ammoniacal form helps in releasing micronutrients (Zn, Fe, Cu & Mn) from the soil, thus making them easily available for crop uptake.
- Band application is recommended for more efficient use of P.
- Available in 50 kg bags.





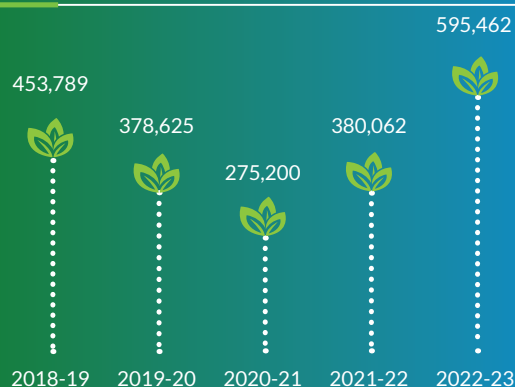
## NPK

Multi-nutrient, complex fertilisers, known as NPK fertilisers, encompass the three main nutrient elements essential for plant growth: Nitrogen, Phosphate, and Potassium. These complex fertilisers are created through a process of blending or chemical reactions involving Phosphoric Acid, Ammonia, Potassium Chloride (or Potassium Sulphate), Nitric acid, and other substances. During 2022-23, we achieved a total NPK production of 970,660 and our sales for the same period reached 901,177. Below are the details of our core NPK portfolio, which consists of NPK 20, NPK 12, and NPK 10.

### NPK 20

- The 1:1 ratio of Nitrogen and Phosphorus is beneficial for a wide range of vegetable crops.
- It provides Sulphur, the fourth most important nutrient after N, P, and K.
- The Sulphur content makes it suitable for oilseeds, pulses, and other crops like onions, garlic, chillies, soybean, sugarcane, paddy, and cotton among others.
- It is suitable for both basal and top dressing applications for all crops due to the high solubility of P.
- Available in 50 kg bags.

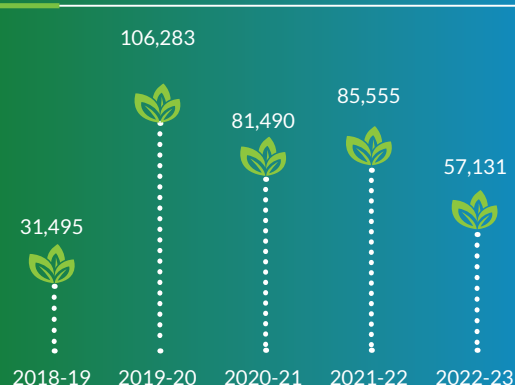
VOLUME (MT per annum)



### NPK 10

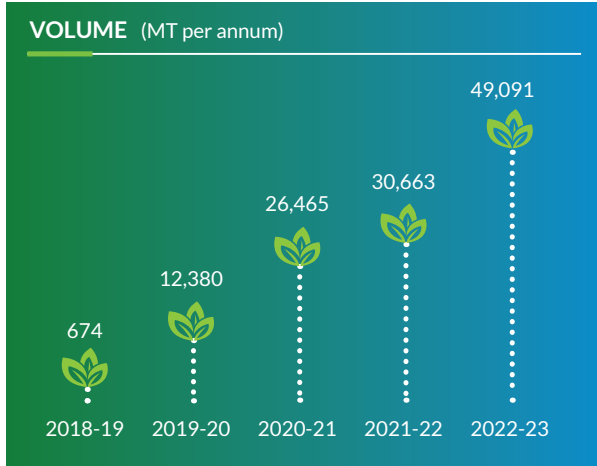
- Suitable for crops requiring high phosphate and potassium content. Ideally suited for sugarcane and potatoes.
- The ammoniacal form helps release micronutrients (Zn, Fe, Cu & Mn) from the soil, thus making them easily available for crop uptake.
- Basal and band applications are recommended for a more efficient use of P and K.
- Available in 50 kg bags.

VOLUME (MT per annum)



## NPK 12

- Greater root penetration and a better root system, even in poor soils, help young plants establish faster, even under adverse soil or climatic conditions.



- Potash helps build resistance to pests and diseases.
- Ideally suitable for oilseeds like soybean, groundnut, and sunflower.
- Useful for potatoes, ginger, turmeric, onions, and pulses.
- Available in 50 kg bags.



## NPK 19:19:19

- It is the most concentrated NPK fertiliser in a 1:1:1 proportion.
- Enhances tillering, branching, flowering, and yield.
- Contains traces of micronutrients as well.
- Ideal for balanced plant nutrition across all crops.
- Available in 50 kg bags.



**35,570** MT per annum

Production Volumes

## NPK 28:28:0

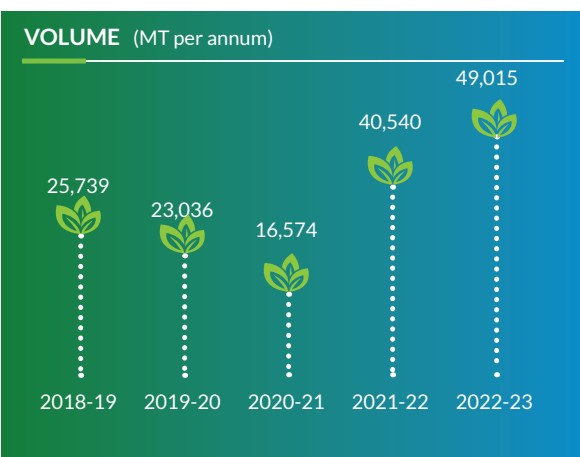
- Complex with the highest N & P in a 1:1 ratio.
- Highly soluble and quickly available to plants.
- Aids in root development, flower setting, and panicle emergence in plants.
- Improves photosynthesis, activates several enzymes, and facilitates energy transfer.
- Nitrogen is present in both ammoniacal and amide forms. Ammonium ions reduce the pH of the soil around the root system, enhancing the quick and easy absorption of phosphorus from the soil.
- The major portion (24% out of 28%) of phosphorus is in a water-soluble form and readily available to plants.
- Coating of Ammonium Phosphate over Urea during the manufacturing process minimises various types of nutrient losses from Urea.
- Due to the presence of a remarkable water-soluble portion of Nitrogen and Phosphorus, instant vegetative growth and development are observed.
- The presence of other nutrients like Sulphur, Calcium, and Iron enhances the crop's quality.
- It is suitable for application in all crops, especially for basal application in paddy, cotton, chilli, sugarcane and vegetables, among others.

**40,400** MT per annum

Production Volumes

## Zypmite

Zypmite is a blend of micronutrients, including Sulphur, Zinc, Boron, Calcium, and Magnesium. This unique formulation aids in enhancing soil fertility, optimising the utilisation of NPK fertilisers, and improving the overall crop yield quality.



## Urea

- Neem-coated urea provides a more gradual release of nitrogen due to its nitrification inhibition properties, thus aiding plants in obtaining greater nutrition and enhancing yields.
- Neem oil acts as an insecticide and helps deter insect attacks on crops.
- Suitable for use in both solid and liquid formulations.
- For more efficient utilisation of Nitrogen, split application and banding are recommended.
- Available in 45 kg bags.



**386,800** MT per annum

Production Volumes

## New Product

### NPK 24

- Jai Kisaan 24:24:00 is an FCO registered NP nutrient source fertiliser. It contains a minimum of 24.0% Nitrogen and 24.0% Phosphorus as  $P_2O_5$  by weight.
- It contains two major plant nutrients, namely Nitrogen and Phosphorus, that significantly determine plant growth and productivity.
- The NP ratio in this complex fertiliser is 1:1, making it an ideal fertiliser to meet the nutritional requirements of all crops, as they need an equal amount of Nitrogen and Phosphorus in the initial stages of plant growth.
- The presence of Nitrogen in both Urea and ammoniacal forms enables this product to fulfill immediate as well as subsequent N requirements during the early growth stages.
- It quickly dissolves in the soil, releasing plant-available phosphate and ammonium ions.

**69,800** MT per annum

Production Volumes

## Industrial Product

### Phospho-Gypsum

Phospho-Gypsum, containing Sulphur and Calcium in a 17:21 ratio, offers numerous benefits for alkaline soils. The presence of Sulphur in it contributes to increased crop yield, improved crop quality, and higher oil content in oil seeds. It also improves the effectiveness of fertilisers, promotes plant health, and enhances soil conditions. Additionally, it imparts appealing colour and flavour to the crops. On the other hand, the Calcium in Phospho-Gypsum aids in fruit development, enhances crop quality, stimulates plant growth and root development, supports metabolic activities, and prevents fruit cracking. Overall, Phospho-Gypsum significantly boosts the yield and quality of various crops such as rice, pulses, oil seeds, and sugarcane.





## STRATEGIES, OUTCOMES AND GOALS

# Nurturing Success through Sustainable Strategies and Goals

PPL has made significant effort to develop a comprehensive and resilient set of strategies, positioning itself for sustained growth and ongoing success in the industry. Through meticulous planning and skilful execution of these strategies, the Company is actively seeking to enhance its competitive advantage in the ever-changing business environment. With a strong dedication to strategic excellence, PPL is determined to fortify its market position, adapt to evolving customer needs, and capitalise on emerging opportunities to achieve long-term and sustainable growth.



## Capacity Utilisation and Product Diversification

### GOALS

To have the product mix aligned to market need and to have more NPK mix in our overall portfolio compared to DAP

### STRATEGY

Expand into allied areas and optimally utilise the total capacity of 3 MMTPA

### OUTCOME

Achieved capacity utilisation of

**84%**

## Productivity and Cost Improvement

### GOALS

Reduce cost and further improve earning potential

### STRATEGY

1. Enhance the captive phosphoric acid capacity from 0.3 to 0.5 MMTPA by Q1 2023-24
2. Enhance the captive Sulphuric Acid capacity from 1.39 to 1.90 MMTPA to backward integrate in line with phosphoric acid and to generate captive green power

### OUTCOME

Power cost reduced by

**78%** compared to the grid

## Market Expansion through New Channels

### GOALS

Expand market presence in existing as well as newer regions to promote balanced fertilisation in India

### STRATEGY

Building relationships with channel partners and retailers through the Jai Kisan Navratna Sambandh loyalty rewards programme. For institutions, regular meetings are organised to apprise them about our product portfolio.

### OUTCOME

Tapped newer regions of central and eastern parts by onboarding more than 1,000 dealers across regions

## Identify Inorganic Growth Opportunities

### GOALS

Capture market potential through capacity expansion

### STRATEGY

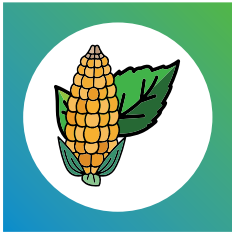
Continue to explore potential inorganic growth opportunities in the future

### OUTCOME

Completed the acquisition of Goa facility from ZACL in June 2022







#### WHAT SETS US APART

## Playing to Strengths: Key Advantages

PPL derives significant advantage due to a range of factors. These include a favourable macroeconomic environment and the invaluable achievements amassed over four decades of remarkable success.





## Manufacturing Strengths

PPL operates two strategically located manufacturing units in Paradeep and Goa with a combined DAP/NPK capacity of 3 Million metric tonnes per annum. The Company aims to strengthen its position by increasing captive sulphuric acid capacity from 1.39 to 1.90 MMTPA, aligning with backward integration of phosphoric acid production to enable lower-cost captive green power generation. Current annual phosphoric acid capacity is 300,000 tonnes per year, increasing to 500,000 tonnes per year after expansion. The Goa plant uniquely houses co-located urea and complex manufacturing, enabling specialised NPK blends. This positions PPL ahead of competitors as one of only six plants in India with these capabilities.

## Robust Value Chain

PPL has established a strong integrated supply network domestically and internationally. Long-term contracts with key partners like the influential OCP Group ensure smooth, dependable raw material supply. This strategic collaboration enhances PPL's ability to source internationally, reinforcing its commitment to seamless operations. Since 2021-22, PPL has expanded manufacturing capacity by 150% and pursued backward integration of phosphoric and sulphuric acid production. By growing its distribution network, PPL aims to increase its reach and connections with farmers. The robust supply chain and strategic expansions position PPL for continued growth.

## Streamlined Logistics

The Paradeep plant's proximity to the Paradeep port provides strategic advantage with convenient access to waterways, railways, and highways, enhancing logistics to efficiently serve eastern, central, and southern Indian markets. Similarly, the Goa plant near Mormugao port offers captive power, railway siding, storage infrastructure, and bagging capabilities to cater to western, central, and southern agricultural states. The strategic locations of the Paradeep and Goa plants with port access empower PPL with efficient logistics reaching key markets across India.

## Extensive Product Line

PPL offers a diverse array of products in its portfolio, encompassing various fertilisers such as DAP, different grades of NPK (NPK 10, NPK 12, NP 20, NPK 19, NPK 28), Urea, Zypmite, and a by-product known as Phospho-Gypsum. Furthermore, the Company manufactures ammonia, sulphuric acid, and phosphoric acid for captive use.

## Wide and Expanding Distribution Network

The Company aims to enhance profitability and yields by optimizing production capacity utilisation. This is supported by the extensive distribution network enabling efficient inventory and scaling of products to customers across regions. With over 450+ stock points covering 15 states, the distribution infrastructure drives geographic penetration. Enhancing this network and marketing initiatives will further strengthen capabilities for optimised operations, profitability and geographic coverage. The focus on maximising capacity use along with robust distribution strengthens efficiency, yields and earnings.

## Food Security and Favourable Policies

India's large and growing population of 1.4 Billion underscores the importance of fertilisers for sustainable agricultural productivity. The fertiliser market is expected to see steady growth at a 4.7% CAGR from 2023-2028. The Government recently approved a substantial ₹ 1.79 lakh Crores fertiliser subsidy for the 2023-24 season, allocating ₹ 44,000 crores for phosphatic and potassic fertilisers and ₹ 1,35,000 crores for Urea. With its ~8% market share, PPL is poised to leverage favourable policies and emerging opportunities to strengthen its position as a leading fertiliser company in India's high-potential market.



## WHAT SETS US APART

# Business Model

### INPUT



#### FINANCIAL CAPITAL

PPL is dedicated to delivering best-in-class returns to shareholders, while concurrently prioritising a healthy balance sheet and actively reducing effective tax rates.

₹ **2,912** Million

Interest Cost

**63** Days

Receivables Days

₹ **104,397** Million

Cost of Raw Materials Consumed



#### MANUFACTURING CAPITAL

PPL strives to expand its capacities through acquisitions and expansion of existing facilities.

**2**

Manufacturing Facilities

Actual Production Capacity

**2.415** Million

Metric Tonnes Per Annum

**84** %

Capacity Utilisation



#### INTELLECTUAL CAPITAL

PPL places a strong emphasis on harnessing its R&D (research and development) strength to create a lasting impact in the agricultural sector. By leveraging its capabilities in R&D, the Company aims to bring about meaningful advancements and innovations that will have a profound and enduring influence on the agricultural industry.

#### PPL Navratna R&D Centre

**5**

R&D Team Strength

₹ **1.19** Crores

R&D Spends



#### HUMAN CAPITAL

PPL attracts best-in-class talent through its continuous efforts to grow sustainably and works closely with them to realise mutual goals.

**2,468**

Total Employees and Workers

**28.67**

Average Training Hours Per Employee



#### SOCIAL AND RELATIONSHIP CAPITAL

PPL works closely with the community to contribute to economic development, social management, natural resource management, and infrastructure development.

**6,000+**

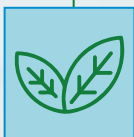
Suppliers

**6,300+**

Number of Farmer Meetings Held

₹ **7.54** Crores

CSR Expenditure



#### NATURAL CAPITAL

PPL strives to improve its processes to make them environment-friendly by conserving energy, enabling GHG reduction, and managing its waste and waste water.

**908** Joules

Solar Energy Consumed

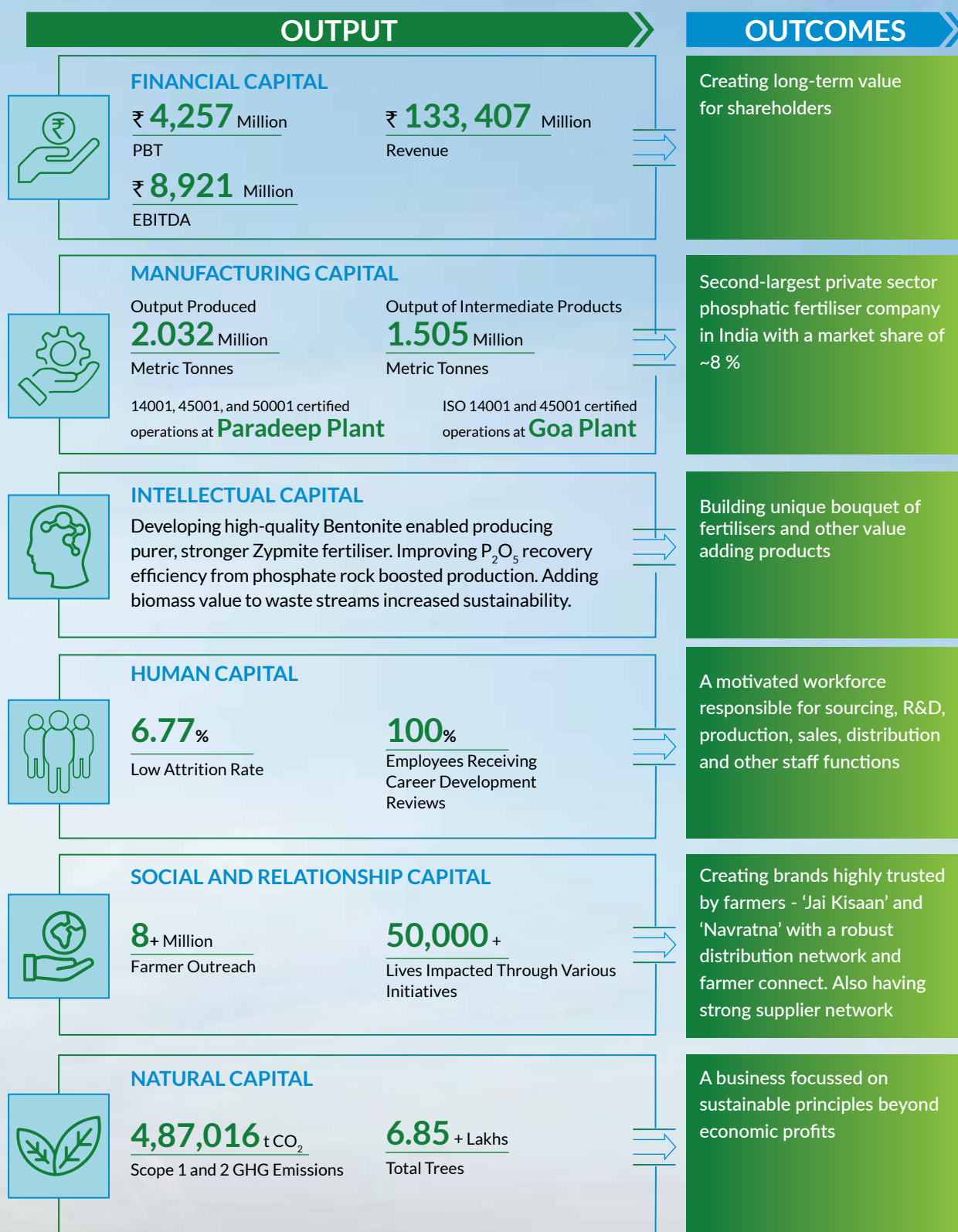
**0.3** Million m<sup>3</sup>

Water Recycled

**12,879,217** G-Joules

Total Energy Consumed







## FINANCIAL CAPITAL

# Nurturing Growth through Robust Financial Capital

PPL prioritises strong financial discipline and strives to maximise shareholder returns, all the while considering the well-being of other stakeholders and creating value for them. The Company is deeply committed to utilising financial resources efficiently in order to attain sustainable long-term growth.

### Material Topics

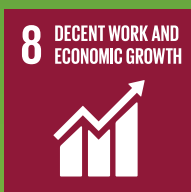


Economic Performance



Maintaining a Healthy Balance Sheet

### SDGs Covered



₹ **133,407** Million

Revenue for 2022-23

**70%**

Year-on-Year Growth

₹ **8,921** Million

EBITDA

**1.32** x

Total Debt/Equity

₹ **41,051** Million

Market Capitalisation as on 31<sup>st</sup> March 2023

₹ **35,052** Million

Net Worth

₹ **3,037** Million

Profit After Tax

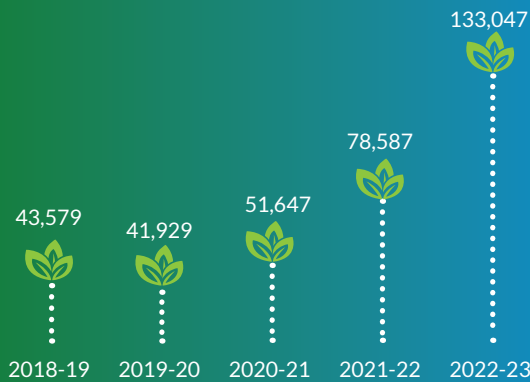


## OVERVIEW

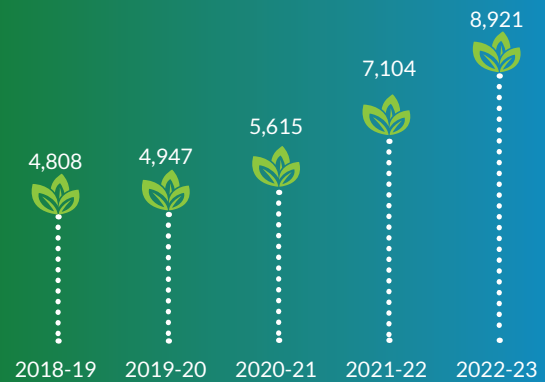
Paradeep Phosphates Limited has had a phenomenal growth in revenues showcasing a 32% CAGR in the last five financial years. Revenues increased 70% in 2022-23 over the previous year, despite the challenging geopolitical and macroeconomic environment, as well as the pressure on key raw material prices. EBITDA increased by 26% and can be attributed to higher production and sales.

### Highlights

#### REVENUE (₹ Million)



#### EBITDA (₹ Million)



## RETURN ON CAPITAL EMPLOYED

Over the past five financial years, the Company has consistently delivered a Return on Capital Employed (ROCE) surpassing 20%, with its highest recorded at 26.4% in 2021-22. This exceptional performance instils confidence in PPL, as it remains steadfast in its commitment to maintaining a ROCE above 20% and aims to achieve even higher levels in the forthcoming financial years.

#### ROCE (%)



## NET DEBT/EQUITY

PPL has demonstrated a commendable reduction in its debt-to-equity ratio over the past five years, showcasing its commitment to financial prudence. Despite borrowing to fund expansion initiatives, the continual decrease in the overall debt-to-equity ratio exemplifies the Company's adeptness at managing and minimising its borrowings, while maintaining a robust and healthy financial ratio.

#### NET DEBT/EQUITY (x)



## ROBUST FINANCIAL PERFORMANCE

Despite the significant disruptions in the supply chain that adversely affected fertiliser raw material prices, PPL demonstrated a robust financial performance in 2022-23. This is largely due to expansion of capacities, reaching a run-rate of 3 Million metric tonnes per annum, which enabled the Company to meet the fertiliser demand in the country more effectively.

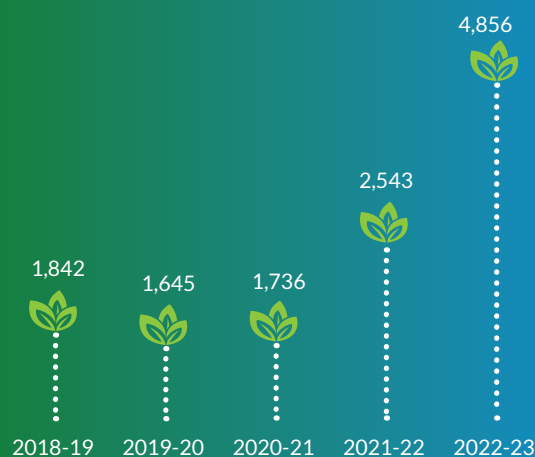
The Government's increased subsidies aimed at ensuring a smooth flow of fertilisers during times of heightened raw material prices led to an increase in the subsidy receivable amount for PPL. As a result, the Company raised its short-term borrowings to address short-term liquidity needs, which was well-balanced by the substantial improvement in subsidy receivable days. PPL has exemplified a disciplined approach to financial management, maintaining a healthy working capital, as evident from its low trade receivables days, which have decreased by 64% since 2018-19, standing at 63.

One of the strategic advantages for PPL is its long-term agreement with OCP Group, its promoter, which oversees the management of the world's largest phosphate reserve. This valuable partnership provides PPL with a significant competitive edge by enabling the Company to procure raw materials at a comparatively lower cost, contributing to its overall success.

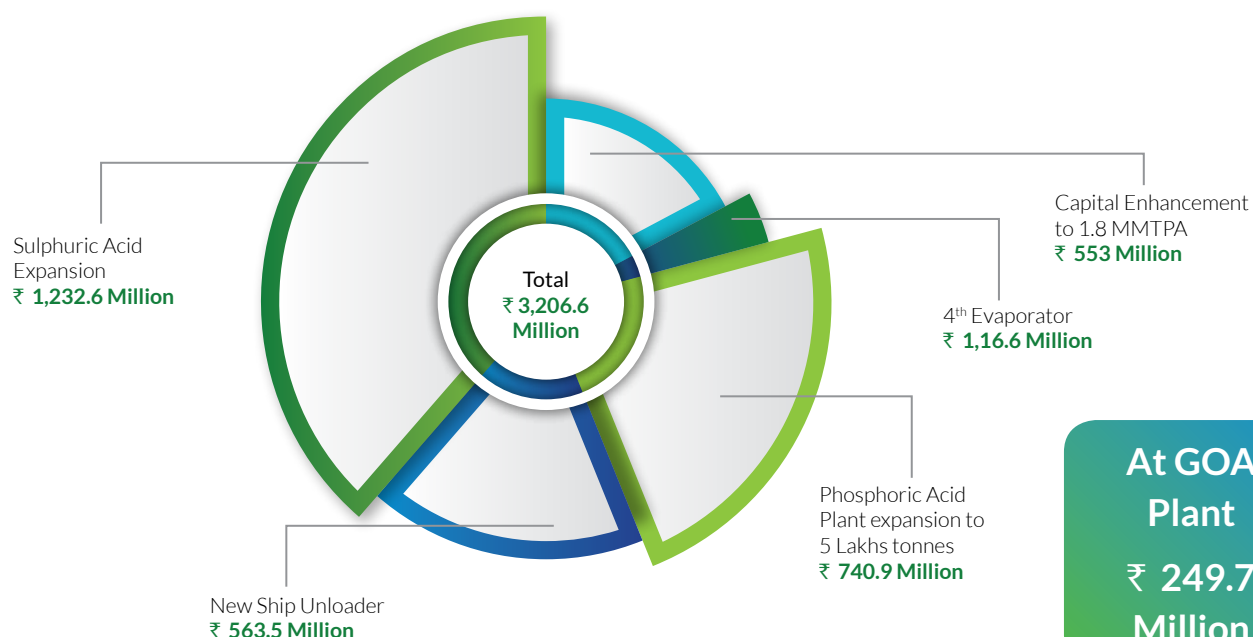
## OUTLOOK

Towards the end of 2022-23, there was a global correction in raw material prices, which led the Government to reduce its subsidy outlay for nutrient-based fertilisers. As a result, the need for short-term borrowings is expected to decrease, and the subsidy receivable days are also anticipated to decline. In 2023-24, margins are projected to improve further due to reduced costs. This improvement will be driven by the increase in phosphoric acid capacity, which is set to rise from 300,000 tonnes per annum to 500,000 tonnes per annum, as well as the installation of the fourth evaporator. With the continuous expansion of capacity and the growing demand for fertilisers in India, PPL is poised to enhance its financial strength.

### CAPITAL EXPENDITURE (₹ Million)



## MAJOR EXPENSES OF 2022-23 AT PARADEEP PLANT



**At GOA Plant**  
₹ 249.7 Million





## MANUFACTURING CAPITAL

# Strengthening Products through Effective Manufacturing Capital

PPL recognises the critical role of manufacturing capital in safeguarding India's food security by ensuring a reliable and uninterrupted supply of fertilisers to farmers. Through comprehensive end-to-end processes and strict adherence to regulatory standards, the Company maintains a steadfast commitment to consistently deliver high-quality products that cater to the ever-changing requirements of farmers and the agricultural community.

### Material Topics



Manufacturing High Quality Nutrient Dense Fertilisers



Timely Acquisitions of Raw Materials



Smooth and Unhindered Production

### SDGs Covered



# 2.415

MT per annum

Actual Production Capacity

# 84%

Capacity Utilisation for the Year 2022-23



## OPERATIONAL HIGHLIGHTS

<b>01</b> First Quarter	<ul style="list-style-type: none"> <li>● Completion of revamp of three out of four granulation trains at Paradeep site</li> <li>● Acquisition of Goa Plant (1.2 MMTPA) to enhance capacity</li> <li>● New production innovation (NPK 14:28:0) to improve farmers' choice</li> </ul>
<b>02</b> Second Quarter	<ul style="list-style-type: none"> <li>● Goa plant started operating all three trains to produce Urea and NPKs</li> <li>● Launched newer NPK grades (NPK 24:24:0 and NPK 14:28:14) to further improve the choices for farmers</li> </ul>
<b>03</b> Third Quarter	<ul style="list-style-type: none"> <li>● Achieved highest ever monthly production of 152,005 MT of fertilisers at Paradeep site in January 2023</li> <li>● CAPEX projects ( captive phosphoric acid addition from 03 to 05 Lakhs and installation of 4<sup>th</sup> Evaporator) on track &amp; expected to be completed by Q1 of 2023-24</li> </ul>
<b>04</b> Fourth Quarter	<ul style="list-style-type: none"> <li>● Successfully completed the granulation revamp for all four trains at Paradeep site, achieving a daily average production rate of 5,000 MT from December 2022</li> <li>● Goa site operations further stabilised to produce both Urea and NPKs in full swing</li> </ul>





## STORY OF PPL'S CAPACITY EXPANSION

The Paradeep Plant of Paradeep Phosphates in Odisha, India, is a large phosphatic manufacturing facility. It recently expanded its capacity from 1.2 to 1.8 Million metric tonnes annually, meeting the growing demand for its high-quality products. The plant also increased its phosphoric acid production to fulfil 90-92% of its requirements and secured contracts with OCP for the remaining 8%. The installation of a 4<sup>th</sup> evaporator and upcoming plans for sulphuric acid production will enhance the manufacturing process for DAP and NPK fertilisers. The plant operates four trains for DAP and NPK production, three plants for sulphuric acid production, and three captive power plants. It has a dedicated berth and a concrete conveyor belt at the Paradeep port, facilitating the smooth flow of raw materials. The Paradeep plant's products, marketed in Eastern, Central, and Southern India, have a strong presence in the states of these zones.

### Annual Production Capacity at Paradeep

DAP and NPK

**1.8** Million

Metric Tonnes Per Annum by  
End of 2022-23

Sulphuric Acid

**1.4** Million

Metric Tonnes Per Annum

Phosphoric Acid

**0.3** Million

Metric Tonnes Per Annum



## THE JOURNEY OF STABILISING THE GOA PLANT

In June 2022, PPL acquired ZACL's Goa plant, increasing its capacity by 150%. The plant produces a range of fertilisers including Urea, NPK, and complex fertilisers. Notably the Company's Goa plant produces a unique bouquet of NPKs such as NPK 19 and NPK 28. NPK 19, until 31<sup>st</sup> March 2023, was exclusively produced by the Goa plant in India, and NPK 28 is produced only by two players in India, including PPL's Goa plant.

The Goa plant services the developed agricultural markets of Maharashtra, Karnataka, Madhya Pradesh, and Chhattisgarh which together consume 46% of the country's phosphatic fertiliser consumption. The Goa plant, located near Mormugao port, comprises two NPK production plants (NPK A and NPK B), an Ammonia production plant, a Urea production plant, a captive power plant, a railway siding, raw materials and finished goods storage infrastructure, and a bagging plant.

### Annual Production Capacity at Goa

DAP and NPK

**0.80** Million

Metric Tonnes Per Annum

Urea

**0.40** Million

Metric Tonnes Per Annum

Ammonia

**0.23** Million

Metric Tonnes Per Annum







Through strategic expansions and operations at the Paradeep and Goa plants, PPL has achieved a significant increase in its capacity. This expansion has had a profound positive impact on over 8 Million farmers. By supplying an abundant quantity of fertilisers to farmers, PPL has made a valuable contribution to strengthening the nation's food security efforts.

## STRENGTHS

PPL sources most of its raw materials through long-term contracts from various suppliers across the world. For its phosphatic requirements, (Phos rock and acid), the Company directly sources from its promoters the OCP Group. The OCP is the custodian of 70% of the world's known phosphatic reserves and guarantees high quality and reliable supply to PPL.

PPL has undertaken a backward integration to increase its phosphoric acid output from 3 Lakhs metric tonnes per annum to 5 Lakhs metric tonnes per annum to be commissioned in Q1 of 2023-24. This will significantly fulfil the Company's requirement of phosphoric acid by more than 90%.

## OUTLOOK

With further increased capacity, the Company will be able to serve larger geographical markets. Increased output of phosphoric acid will ensure quick availability of larger quantities of raw material. Further, PPL aims to increase its output of sulphuric acid by 0.5 Million metric tonnes per annum in the coming two years.

## QUALITY CONTROL

PPL, the second-largest phosphatic fertiliser producer in the private sector, places utmost importance on maintaining exceptional quality standards. The Company implements robust systems and policies to ensure consistency, compliance, and continuous improvement. In line with global industry standards, PPL holds ISO 9001:2015 certification and adheres to Good Manufacturing Practices (GMPs).

To uphold its commitment to quality, the Company has established advanced laboratories at its Paradeep and Goa plants. These state-of-the-art facilities are equipped with cutting-edge analytical instruments, enabling precise measurement and analysis of environmental parameters. Additionally, the Company collaborates with third-party laboratories for stack and ambient air monitoring, further enhancing the accuracy and reliability of its environmental assessments. PPL takes pride in its Protect and Sustain certification from the International Fertiliser Association (IFA), which serves as a testament to its dedication to responsible and sustainable practices within the industry.





## INTELLECTUAL CAPITAL

# Ensuring Sustainability of Operations through Intellectual Capital

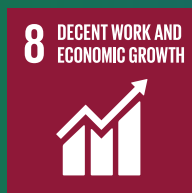
PPL's steadfast dedication to innovation and continuous advancement has played a pivotal role in securing its competitive advantage within the industry. By consistently staying ahead of the competition, the Company not only preserves its leadership position but also generates significant value for its stakeholders.

### Material Topics



Manufacturing Fertilisers to Promote Soil Health

### SDGs Covered



₹ **1.19** Crores  
R&D spends for Year 2022-23

**5** People  
R&D Team

## HIGHLIGHTING R&D CAPABILITIES

PPL has a renowned R&D team located at the Paradeep facility in Odisha. Recognised by the Department of Scientific and Industrial Research (DSIR) since 2014, this dedicated team is focussed on innovation and delivering high-quality products to customers. With a strong track record of developing new products and processes, PPL's R&D team consistently enhances efficiency and profitability within the Company, enhancing their range of offerings. Committed to excellence in both products and services, PPL's R&D team continually strives to explore new technologies and processes. This proactive approach ensures that they meet the evolving needs of customers, while making valuable contributions to India's overall economic growth.



## RESPONSIBILITY OF PPL R&D

- To develop new products and new application
- Testing and validation
- Process optimisation and quality improvement
- Sustainable use of waste into value chain

## KEY ACHIEVEMENTS OF R&D TEAM DURING 2022- 23 INCLUDE

- Developing suitable Bentonite resources resulted in producing Zypmite with higher purity and crushing strength
- Achieving higher efficiency in  $P_2O_5$  recovery from rock
- Adding biomass mediated value to fertiliser waste

## MEMBERSHIPS

The Company actively engages with industry bodies and platforms such as CII, FICCI, ASSOCHAM, and ICC to enhance efficiency in the fertiliser sector. It also partners with academic institutions like IIT Bhubaneswar and CSIR to leverage smart agriculture and develop innovative crop solutions. Notably, its cooperative project with PPL Navratna R&D and DST CSIR IMMT focusses on sustainable waste management practices in the fertiliser industry.

## DIGITAL INNOVATION

The Company embraces technological advancements and digitalisation for enhanced operational efficiency. All the business activities of PPL are seamlessly integrated using SAP S/4HANA, enabling real-time transactions, data analysis, and informed decision-making. Additional systems like an SAP-integrated agri sales portal, streamline processes for the field sales force, handling agents, transporters, and dealers, promoting efficient sales management and comprehensive dealer statement of accounts.







## DIGITISED AGRICULTURAL SERVICES

The mFMS (Mobile-based Fertilisers Monitoring System) has transformed India's agricultural sector by enabling Direct Benefit Transfer and monitoring fertiliser movements to individual farmers through POS devices. As a prominent player, PPL has digitised its agri services through internal portals, applications, and collaborations with digital partners. On-site officials provide guidance and the Jai Kisan agri application facilitates effective communication and support. These initiatives drive the digitalisation of the agricultural sector, empowering farmers and promoting positive change.

## PRODUCT EXCELLENCE

PPL continuously expands and enhances its product range to effectively meet the varied requirements of farmers. Its diverse portfolio includes Urea, DAP, NPK (Complex Fertiliser), and soil conditioners that provide balanced nutrition tailored to different soil types and crops. The manufacturing lines are flexible, allowing the production of various NPK grades based on market demands. Valuable feedback from farmers and specific soil and crop needs enable the development of new product varieties. In addition, the Company engages in the trading of Muriate of Potash providing a comprehensive solution to farmers. Through the pioneering Vibroprilling Technology, the Company elevates product quality by ensuring larger prill size, uniform distribution, improved strength, and reduced emissions. Notably, all Urea production is 100% neem coated in adherence to the Government of India's 2015 mandate, which aims to enhance fertiliser use efficiency.

## OUTLOOK

PPL has implemented a robust R&D strategy to create long-term value for the Company and its stakeholders. This involves incorporating emerging technologies into future products and processes. One notable initiative undertaken by the Company is the 'Biomass Mediated Value Addition to Fertiliser Industries Waste' project. It addresses the issue of waste management associated with Phospho-Gypsum, a byproduct of phosphoric acid production. Through a neutralisation process, the project has successfully developed a customised biofertiliser that is rich in Carbon, Sulphur, Calcium, Potash, and other essential nutrients, thereby effectively utilising and repurposing the waste material.

Another focus area of research for PPL is the development of an anti-scaling agent specifically designed for cleaning graphite heat exchangers. By preventing scaling issues, this endeavour aims to improve the efficiency and lifespan of heat exchangers. Additionally, PPL is actively exploring the development of a prototype metallic heat exchanger, potentially offering an alternative to traditional graphite-based systems. This prototype aims to explore new materials and technologies that can enhance heat exchange processes and offer advantages over existing graphite-based systems.



## NATURAL CAPITAL

# Nurturing Sustainability by Utilising Natural Capital

PPL's steadfast dedication to environmental sustainability fuels its continuous endeavours to mitigate the negative impacts of its operations on the environment. The Company deeply acknowledges the significance of responsible resource management and consistently works towards enhancing its existing practices, actively seeking innovative solutions to further reduce its environmental footprint.

### Material Topics



Minimising Emissions through Operations



Recycling Waste

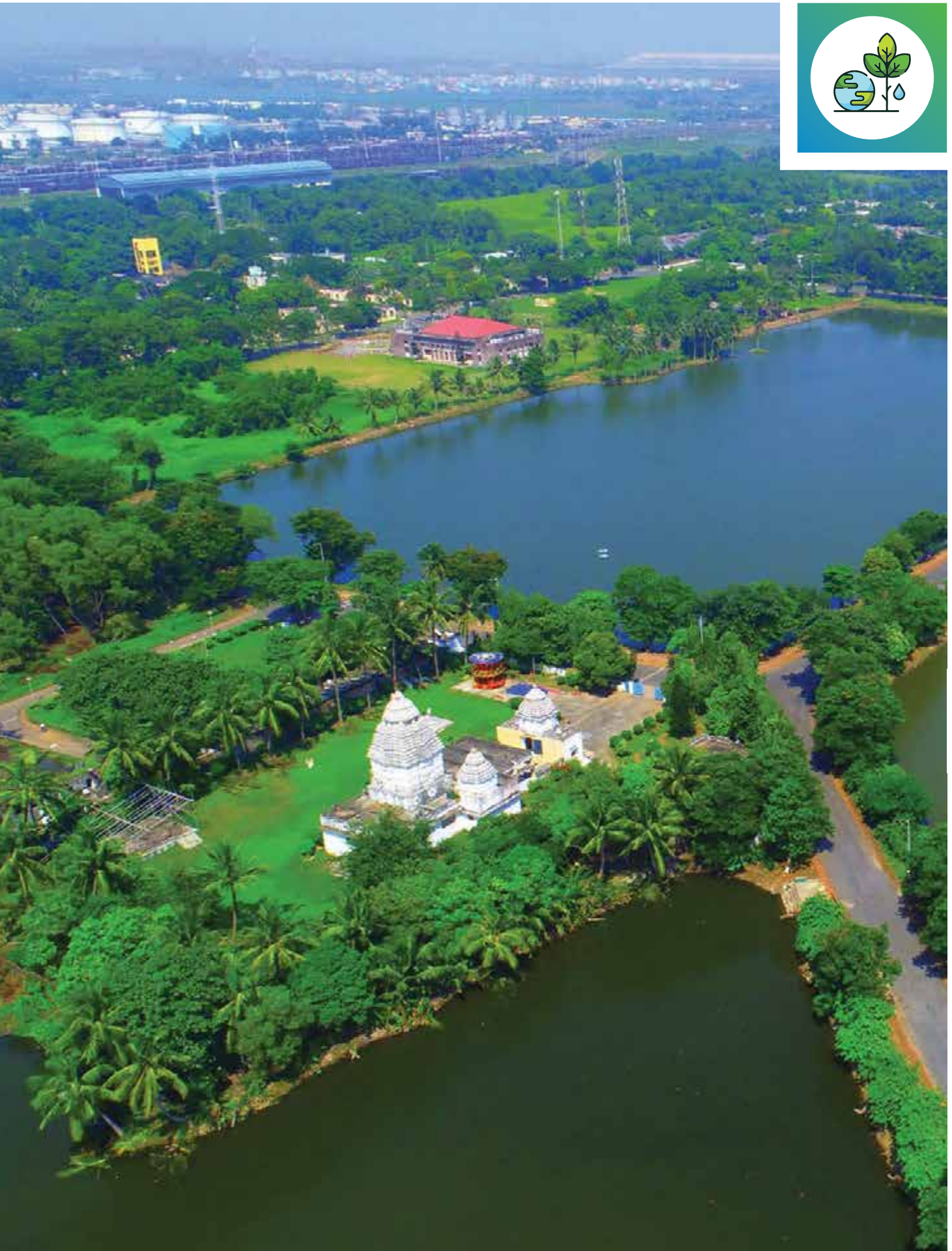
### SDGs Covered



PPL recognises the significance of resource conservation in ensuring sustainable operations and long-term value creation for all stakeholders. The Company thus puts environmental stewardship at the core of its business strategy. PPL is committed to improving resource efficiency to minimise its carbon footprint and actively work towards decarbonisation. The Company's environmental management system, in line with global

standards, guides their continual efforts to enhance environmental performance and generate value for the organisation. The manufacturing facilities in Paradeep and Goa have obtained ISO 14001:2015 certification, and strictly adhere to relevant environmental guidelines and regulatory requirements, including the MoEF&CC Charter on Corporate Responsibility for Environmental Protection Action Points (CREP) guidelines for the fertiliser sector.







During the financial year, the Company initiated the measurement of their environmental footprint baseline, encompassing greenhouse gas emissions, waste generation and disposal, and water consumption. PPL is proactively seeking opportunities to reduce its environmental impact, while maintaining operational standards and shareholder value. These efforts have resulted in tangible outcomes such as energy savings, water conservation, emission reduction, and effective waste management.

**0.3** Million m<sup>3</sup>

Water Recycled

**12,879,217** G-Joules

Total Energy Consumed

**100** %

ZLD Operation

**206,000+**

Soil Samples Tested and Delivered

## MATERIAL MANAGEMENT INITIATIVES

The Goa plant relies on natural gas as its primary raw material for producing ammonia, which is subsequently used in the manufacturing of Urea. In the production of DAP and NPK fertilisers, the Company utilises rock Phosphate, Sulphur, Ammonia, and Muriate of Potash as the main raw materials. Intermediate products, such as sulphuric and phosphoric acid, are combined with Ammonia and Potash to create the final products. To mitigate its carbon footprint, the Company has successfully secured a supply of Molten Sulphur from IOCL, leading to reduced imports, cost savings, and direct greenhouse gas (GHG) savings. This can be attributed to the elimination of steam conversion and the subsequent reduction in transportation emissions.

## HEAT RECOVERY SYSTEM

The Paradeep facility utilises waste heat recovery systems in sulphuric acid plants to meet its energy demand. Three captive power plants, with a total capacity of 55 MW, generate power from steam produced by the heat recovery systems, ensuring energy self-sufficiency. The facility holds ISO 50001 certification for Energy Management System. The implementation of waste heat recovery systems in all three sulphuric acid plants enables daily power generation equivalent to 245 MW, replacing 142 MT of coal and eliminating 225,191 tCO<sub>2</sub>e annually.



PPL has Implemented Several Measures to Reduce its Energy Consumption, including

Replacement of approximately 85% of conventional lights with LED lights

Installation of energy-efficient motors

Optimisation of steam recovery processes

Reduction of power consumption in the Effluent Treatment Plant (ETP) by reducing the effluent load

## ENERGY CONSUMPTION TABLE FOR 2022-23

### MANAGING ENERGY CONSUMPTION

The Company is dedicated to environmental responsibility and is making targeted efforts to increase its investment and reliance on renewable sources of energy. To this end, a 255-kWh solar module has been installed in the PPL's Paradeep township, resulting in a decrease in power import from the captive power generation unit and grid.

### CIRCULAR ECONOMY

The Company produces a substantial amount of Gypsum, exceeding 5,000 MT/day, as a significant by-product of its phosphoric acid production. In response to the challenge of managing legacy stocks of Gypsum, the Company has implemented a successful approach by utilising it in road construction and cement manufacturing. This initiative has proven highly effective, resulting in the evacuation of Gypsum at a rate that surpasses its generation. Furthermore, PPL has undertaken dedicated R&D efforts to explore innovative applications for Phospho-Gypsum. Zypmite Plus, an outstanding soil conditioner, which supplements for soil lacking Calcium & Sulphur and alters the pH of the soil providing an ideal condition for plant growth. It helps plant to mine nutrients better by maintaining pH and provides nutrients like Ca, S, Zn & B.

Following these, the Company has commissioned a 10-TPH Zypmite plant for granulation, and the final product is carefully packaged for distribution. This significant development showcases the Company's commitment to innovation and sustainable utilisation of by-products, contributing to enhanced resource efficiency and value creation.

### FLORA AND FAUNA CONSERVATION

The Company prioritises environmental protection in its areas of operation by conducting periodic biodiversity assessments and implementing mitigation measures. It develops green belts through plantation activities, having planted over 6.85 Lakhs trees to date. The Company also supports local communities by providing free saplings during annual tree plantation drives. It conducts regular clean-up of ponds and water bodies, and bird census is carried out by the Department of Forest, Odisha. These initiatives aim to minimise the impact on biodiversity and promote rainwater harvesting. The Company's CSR efforts extend to protecting biodiversity beyond its premises, encompassing a wide range of tree species.

### WATER CONSERVATION

Given the medium- and high-water stress in its operational areas, PPL prioritises water conservation. Groundwater is not sourced for industrial or domestic purposes, and water is obtained from the Taladanda canal at the Paradeep facility. PPL ensures that the wastewater remains within the plant's location to prevent discharge. Through initiatives like heat recovery systems and efficient practices, the Company has reduced water consumption by 45% and over 50% at its Goa facility. It adheres to regulations on effluent discharge and maintains zero liquid discharge during the non-monsoon season through closed-loop water cycles and recycling channels. Rainwater harvesting and a Reverse Osmosis (RO) plant at the Goa facility further contribute to reducing freshwater consumption.



## SOCIAL AND RELATIONSHIP CAPITAL

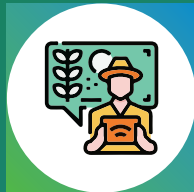
# Strengthening the Foundation through Social and Relationship Capital

PPL is dedicated to creating a society that promotes the well-being, prosperity, and happiness of individuals, striving to foster an environment where everyone can thrive. At the heart of its mission lies the ambition to actively shape a future that offers limitless possibilities for all. Acknowledging the pivotal role played by the digital revolution in catalysing change, the Company recognises the significance of leveraging technology to meet the needs of farmers and other essential stakeholders. By harnessing the power of technology, it endeavours to make a transformative impact on communities, enhancing their overall well-being and paving the path towards a more inclusive and promising future.

### Material Topics



Building  
Community  
Relations



Ensuring  
Farmers  
Satisfaction



Expanding  
Farmer  
Outreach

### SDGs Covered



₹ **7.54** Crores  
Total CSR Budget of 2022-23

**8** Million +  
Number of Farmers Reached

**6,300** +  
Farmer Meetings Conducted

**206,000** +  
Soil Samples Tested

**6,000** +  
Total Supplier Base







## FARMERS AT THE CORE

### FARMER MEETINGS

Organised in villages, these meetings, enthusiastically attended by farmers, are a regular feature in the Jai Kisaan Navratna marketing calendar. During these meetings, leading/progressive farmers are felicitated, and they are invited to share their success stories with fellow farmers. Soil test results and recommendations are presented to the farmers, and issues related to current crop cultivation and potential solutions are discussed. In the 2022-23 period, the Company conducted over 6,300 farmer meetings.



### CROP SEMINARS

To provide farmers with comprehensive solutions for specific crops, the Company meticulously organises crop seminars. These seminars, conducted in collaboration with Krishi Vigyan Kendras (KVKs) and Universities of Agri Sciences (UAS), aim to familiarise farmers with the Company's products and leverage the expertise of agricultural specialists. This ensures seamless coordination and knowledge exchange. In 2022-23, the Company conducted over 750 crop seminars.



### PRODUCT DEMONSTRATIONS

To promote balanced fertilisation, PPL has a robust programme for conducting product demonstrations in farmers' fields. Following the product demonstrations, the Company's officials make regular follow-up visits to the demonstration plots. The results of these demonstrations are showcased during the Field Day, which is organised after three months (or closer to harvest). In the 2022-23 period, the Company conducted over 3,600 product demonstrations.

### INTENSIVE FARMER CONNECT PROGRAMMES (IFCP)

Strategically organised during the Kharif and Rabi seasons, IFCP involves branded vans reaching targeted areas to connect with farmers and retailers. Regional teams engage in farmer meetings, distribute merchandising materials, and strategically place them at retail outlets and prominent village markets. In the year 2022-23, the Company organised over 3,700 campaigns as part of IFCP.



## ADVERTISEMENT

To highlight the synergistic benefits of its flagship product, Jai Kisaan Navratna 20:20:0:13, the Company creates compelling TVCs. These are strategically released on prominent TV channels in key N20 markets, effectively showcasing the advantages of the product to the target audience.

## SOCIAL MEDIA

Recognising the widespread smartphone usage among farmers, particularly the tech-savvy younger generation, the Company leverages social media platforms like Facebook and YouTube to reach its rural audience. Regular campaigns are conducted to disseminate brand messages. In 2022-23, the Company's digital campaigns during the Kharif and Rabi seasons successfully reached over 20 Million people through Facebook and garnered an impressive 16 Million views on YouTube.

## WALL PAINTING

During 2022-23, the Company successfully completed over 1.85 Lakhs sq ft of wall paintings.

## RETAILER MEETINGS

In 2022-23, the Company conducted more than 230 retailer meetings.

## SPECIAL EVENTS

- 'Jai Jawan Jai Kisaan' – a unique programme organised on Independence Day, during which ex-servicemen-farmers are felicitated.
- World Soil Day, organised on December 5<sup>th</sup>, 2022, to spread awareness about soil health.
- Jai Kisaan Diwas organised on December 23<sup>rd</sup>, 2022, in keeping with the Company's philosophy of 'Farmer First.'
- International Women's Day celebrated on March 8<sup>th</sup>, 2023, during which women farmers are felicitated.

JAI KISAAN JAI JAWAN (15<sup>TH</sup> AUGUST 2022)

128

Events Organised

231

Ex-Servicemen-Farmers  
were Honoured and  
Felicitated

4,500+

Farmers Participated

WORLD SOIL DAY (5<sup>TH</sup> DECEMBER 2022)

159

Programmes Organised

270+

Dealers/Farmers  
Participated

10,500+

Farmers Attended

795

Farmers Felicitated





## JAI KISAAN DIWAS (23<sup>RD</sup> DECEMBER 2022)

127

Programmes Organised

10,000+

Farmers Attended

95

Department Officials  
Participated

199

Retailers Participated

57

Dealers Participated

694

Farmers Felicitated for  
Outstanding Contributions



## ON INTERNATIONAL WOMEN'S DAY (8<sup>TH</sup> MARCH 2023)

94

Programmes Arranged

7,000

Women Farmers Participated

367

Progressive Women  
Farmers Honoured

128

Department Officials  
Participated

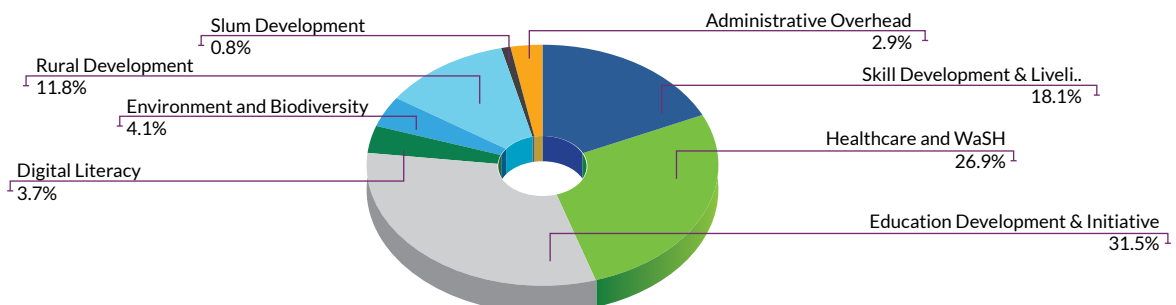


## CSR Activities

Over the years, the Company's CSR projects have evolved to address the needs of impoverished villages, beneficiaries, and urban slum areas in Paradeep and neighbouring locations in Goa. These are designed to comprehensively tackle key areas in four categories:



## PPL CSR Expenditure 2022-23



## WASH AND HEALTHCARE

PPL has embarked on several community-centric projects aimed at enhancing the well-being of the local population. To ensure access to clean drinking water, the Company has installed RO water plants and implemented a door-to-door pipe water supply programme, benefiting numerous families. In addition, it has initiated a comprehensive Holistic Village Development programme, focussing on key areas such as agriculture, allied activities, education, healthcare, and renewable energy, among others, with the aim of uplifting the living standards of the village. The establishment of a biodegradable sanitary napkin unit, community pond cleaning, and the promotion of sanitation and hygiene awareness have been instrumental in fostering a cleaner and healthier environment. PPL has also made significant investments in healthcare infrastructure, including an Ophthalmology OT and casualty centre, as well as a mobile health unit providing primary healthcare services. Furthermore, the Company has organised maternal and adolescent health camps and awareness sessions, contributing to the overall well-being of the community.

## EDUCATION

# 19

High Schools Developed in Jagatsinghpur District

# 15

Primary and Upper Primary Schools in Kujang Block Taken up as a Model School Programme

The Navratna Balygruha Initiative has successfully established **eight Anganwadi Centres** that comply with wash standards. These centres have been documented through a short film to promote policy advocacy and encourage the adoption of these models.

# 700

Students Benefiting through Computer Labs and Classroom Infrastructure in Four Schools

# 27

Meritorious Students from Economically Weaker Sections Provided with Scholarships for High School, and Engineering and Agriculture College in Goa

Through the Har Ghar Tiranga Programme, more than **5,000 Khadi-made flags** have been distributed to promote patriotism and raise awareness of India's rich independence history. These have been distributed in schools and among Commissionerate police personnel in Odisha.



## SKILL DEVELOPMENT AND LIVELIHOOD PROMOTION

To enhance livelihood security and incomes of small and marginal farmers, training and capacity building programmes were organised to promote sustainable agriculture practices and collectivise farmers into Farmer Producer Companies (FPCs). Solar-based irrigation systems were established to provide clean, renewable energy for irrigation. Animal husbandry was promoted through integrated goat rearing, improved shelter, timely vaccination. These interventions aimed to build skills, increase productivity, reduce costs, and provide sustainable livelihood opportunities.

## ENVIRONMENT

The Company has implemented various initiatives aimed at conserving and protecting the natural environment. One of the notable efforts includes the installation of solar panels and LED streetlights in different villages. These energy-efficient measures help to reduce the carbon footprint and promote sustainable living.

In addition, the Company has been actively involved in the restoration of community ponds and other water sources. These efforts are carried out in collaboration with the stakeholders and beneficiaries to ensure the sustainability of the ecosystem. The Company's approach towards environmental conservation ensures that the natural resources are conserved for future generations.

Overall, PPL's initiatives demonstrate its commitment towards promoting sustainable living and environmental conservation. They not only benefit the communities but also contribute to the larger goal of achieving a cleaner and greener planet.



## HUMAN CAPITAL

# Nurturing the Human Capital through Effective Strategies

PPL's impressive growth is a testament to the unwavering dedication of its exceptional workforce. Their expertise and passion have played a crucial role in driving the Company's expansion and making a positive impact on the lives of Millions of farmers. The Company is committed to providing a supportive and secure environment where the PPL family can thrive and achieve their maximum potential.

### Material Topics



Safety of Employees



Employee Satisfaction

### SDGs Covered



# 2,486

Number of Employees and Workers

# 28.67

Average Training Hours per Employee

# 6.77%

Employees Turnover Rate









## OVERVIEW

Paradeep Phosphates is committed to providing its employees with an exceptional experience and fostering an environment where they can thrive and achieve success. As of 31<sup>st</sup> March 2023, the Company had a workforce of 1,476 permanent employees, with 583 located at PPL Goa and 893 at PPL Paradeep. Demonstrating the importance of building long-term relationships, over 85% of the workforce is above the age of 30. PPL prioritises nurturing these relationships and creating a supportive and engaging workplace for its employees. The Company's dedication to its workforce is evident in its efforts to provide a fulfilling journey for its employees, ensuring their growth and satisfaction.

## EMPLOYEE CENTRICITY

PPL prioritises the well-being and growth of its employees through a people-centric approach. The Company nurtures a collaborative culture and focusses on holistic development by regularly organising engagement initiatives. Touchpoints such as team reviews, goal-setting sessions, and town halls encourage teamwork and foster alignment within the organisation. The Company values feedback from its employees and provides multiple channels for them to express their opinions and measure their satisfaction. An annual employee satisfaction survey is conducted to gauge perceptions and identify areas for improvement. The Company has implemented a robust grievance redressal mechanism to promptly address critical matters and ensure a supportive and inclusive work environment.



## NURTURING TALENT

PPL places great importance on hiring and retaining employees who align with its mission and share its values of trust and excellence. The Company follows a comprehensive Recruitment Policy, employing a wide range of channels to attract top talent. In 2022-23, PPL successfully onboarded a significant number of permanent employees. Retention is a key focus for the Company, as it provides ample opportunities for career growth, offers industry benchmarked rewards, and implements Employee Stock Ownership Plans. The Company's low attrition rate stands as a testament to its commitment to ensuring employee satisfaction and creating a supportive and fulfilling work environment.





## CULTURE OF LEARNING AND DEVELOPMENT

PPL emphasises on continuous learning and development to cultivate high-performing teams and foster adaptability. The Company provides comprehensive training opportunities throughout the employee lifecycle, commencing with mandatory onboarding sessions that cover the Code of Conduct, values, and policies. A wide range of technical and behavioural training programmes are offered to support holistic development and facilitate career advancement. These address important topics such as anti-money laundering, sexual harassment prevention, and cybersecurity. Technical training is delivered through strategic partnerships or by internal teams, while leadership training is designed to enhance managerial skills. In addition to structured training, the Company actively encourages self-learning and personal growth, providing grants for higher education. This commitment to employee development is exemplified by employee nominations for prestigious leadership programmes at renowned institutions like Harvard University.



## EMPLOYEE WELL-BEING INITIATIVES

PPL conducts management-led town halls to foster open communication channels and address employee questions and concerns. These encourage transparency, accountability, and trust within the Company.

To promote employee engagement and recreational activities, PPL has established various clubs at the Paradeep Plant, including the Paradeep Phosphates Employees Recreation Club (PPEREC), Management Recreation Club (PPOC), PPL Ladies Club, and Mandir Committee. These offer opportunities for indoor games, such as billiards and table tennis, as well as access to the swimming pool and movie screenings. By participating in these clubs, employees can engage in team-building activities and strengthen interpersonal relationships. Similarly, at the Goa plant, Jai Kisaan Club, Management Club, and Jai Kisaan Ladies Club have been formed.

PPL actively organises safety campaigns and competitions, such as those during Road Safety Week, National Safety Week, Fire Safety Week, National Electrical Safety Week, and monthly safety themes. These initiatives aim to create awareness among employees regarding health and safety practices. Additionally, the Company celebrates all festivals to foster a work environment that embraces diversity and promotes unity among its employees.





## Governance

Paradeep Phosphates firmly believes in operating within a robust governance framework to ensure financial accountability, ethical business practices, and transparency.

# 4

Independent Directors on Board

# 100%

Employees Trained in Code of Conduct

### BOARD OF DIRECTORS



**Saroj Kumar Poddar**  
Chairman



**N. Suresh Krishnan**  
Managing Director & CEO



**Dipankar Chatterji**  
Independent Director



**Rita Menon**  
Independent Director



**Satyananda Mishra**  
Independent Director



**Soual Mohamed**  
Director



**Karim Lotfi Senhadji**  
Director



**Subhrakant Panda**  
Independent Director

## SENIOR MANAGEMENT



**N. Suresh Krishnan**

Managing Director & CEO



**Harshdeep Singh**

Chief Commercial Officer (CCO)



**Raj Kumar Gupta**

Chief Procurement Officer



**Pranab Kumar Bhattacharyya**

Chief Manufacturing Officer & Unit Head, Paradeep Plant



**Nilesh Dessai**

Chief Manufacturing Officer & Unit Head, Goa Plant



**Bijoy Kumar Biswal**

Chief Financial Officer (CFO)



**V. Vinay**

Chief Sustainability Officer



**Sachin Patil**

Company Secretary



## GOVERNANCE OVERVIEW

Paradeep Phosphates has taken proactive measures to ensure the effective implementation of its corporate governance framework. This includes the establishment of various committees, each with specific mandates. These committees maintain regular communication and provide timely updates to the management team, enabling vigilant monitoring and facilitating prompt decision-making. Such structured processes and channels of information contribute to the Company's commitment to upholding strong corporate governance practices.

COMMITTEE NAME	MANDATE	BODS ASSOCIATED (During the Financial Year- 2022-23)
 <b>AUDIT</b>	<p>The Audit Committee safeguards the quality and credibility of accounting, auditing, and reporting practices at PPL. It ensures compliance with legal and regulatory requirements, while recommending auditors for appointment, re-appointment, replacement, and determining their remuneration and appointment terms. The Committee also evaluates internal financial controls, assesses the sufficiency of control systems, and oversees risk management.</p>	<div>             Marco Philippus Ardeshir Wadia*         </div> <div>             Dipankar Chatterji#         </div> <div>             Kiran Dhingra         </div> <div>             Satyananda Mishra         </div> <div>             Karim Lotfi Senhadji         </div>
 <b>NOMINATION AND REMUNERATION</b>	<p>Paradeep Phosphates' Nomination and Remuneration Committee evaluates the compensation of Directors, KMPs, and senior management. It aims to strike a balance between fixed and incentive pay, aligning it with short and long-term performance objectives and the Company's goals. The Committee also oversees Employee Stock Option Plan(s) and provides advice to the Board on matters of diversity. Additionally, it evaluates the performance of Board members, ensuring accountability and effectiveness.</p>	<div>             Marco Philippus Ardeshir Wadia*         </div> <div>             Satyananda Mishra#         </div> <div>             Kiran Dhingra         </div> <div>             Soual Mohamed         </div>
 <b>RISK MANAGEMENT</b>	<p>The Risk Management Committee functions independently and assumes responsibility for efficient risk management at PPL. It focusses on identifying, predicting, and mitigating potential emerging risks. The Committee ensures the utilisation of appropriate methodologies, processes, and systems to monitor and evaluate risks associated with its operations. Moreover, it oversees the implementation of the risk management policy and conducts periodic reviews to ensure its ongoing effectiveness.</p>	<div>             N. Suresh Krishnan         </div> <div>             Dipankar Chatterji         </div> <div>             Karim Lotfi Senhadji         </div>
















**Audit Committee**

\*upto 18<sup>th</sup> September 2022  
#w.e.f. 6<sup>th</sup> October 2022

**Nomination and Remuneration Committee**

\*upto 18<sup>th</sup> September 2022  
#w.e.f. 19<sup>th</sup> September 2022



COMMITTEE NAME	MANDATE	BODS ASSOCIATED (During the Financial Year- 2022-23)
 <b>FINANCE</b>	<p>The Finance Committee advises the Board on budgeting and financial planning. It reviews financing proposals, exercises borrowing powers within Board-approved limits, and facilitates cost-effective refinancing. It secures short and long-term funds for operational, corporate, and capital needs, aligned with approved limits.</p>	 N. Suresh Krishnan  Kiran Dhingra  Karim Lotfi Senhadji
 <b>CORPORATE SOCIAL RESPONSIBILITY</b>	<p>The Corporate Social Responsibility (CSR) Committee formulates policies in accordance with CSR laws and aligns them with the Board's agreement. It oversees the management of the CSR department or team, including programme development, expenditure review, implementation, and timely completion. The Committee ensures regular updates to the Board regarding the progress and impact of CSR initiatives.</p>	 Marco Philippus Ardeshir Wadia*  Kiran Dhingra#  N. Suresh Krishnan  Karim Lotfi Senhadji\$
 <b>STAKEHOLDER RELATIONSHIP</b>	<p>The Stakeholder Relationship Committee at PPL ensures the protection of stakeholder rights and interests, while maintaining transparency. It safeguards the trust and confidence of stakeholders in the Company and addresses the interests of shareholders, debenture holders, and other security holders. The Committee strives to effectively resolve any grievances that may arise.</p>	 N. Suresh Krishnan  Kiran Dhingra  Satyananda Mishra
 <b>ESG STEERING</b>	<p>The ESG Steering Committee plays a pivotal role in PPL's ESG (Environmental, Social, and Governance) initiatives. Their responsibilities encompass various aspects including setting a comprehensive strategy for ESG, devising and executing initiatives and policies aligned with the strategy, and ensuring diligent monitoring of their implementation. The Committee also oversees effective communication channels with employees, investors, and stakeholders regarding ESG matters. Furthermore, they continuously monitor and evaluate ESG developments, aiming to enhance PPL's understanding and engagement with ESG principles. Lastly, the Committee appraises the Company's performance and provides updates to the Promoters, Investors, and Board of Directors on ESG-related matters, thereby fostering transparency and accountability.</p>	 N. Suresh Krishnan

CSR Committee | \*upto 18<sup>th</sup> September 2022  
 | #Chairperson w.e.f.19<sup>th</sup> September 2022  
 | \$ w.e.f.19<sup>th</sup> September 2022



## ESG GOVERNANCE

PPL is deeply committed to upholding responsible business practices and places a strong emphasis on their Environmental, Social, and Governance (ESG) approach. The Company recognises the significance of creating long-term value for all stakeholders, while prioritising sustainable strategies that yield positive outcomes for the community and the environment. To ensure the seamless integration of ESG principles across the Company, PPL has established an ESG Committee. Led by the Managing Director, this committee comprises experienced members representing key business functions, bringing diverse perspectives to effectively manage ESG matters. With a clear mandate, the ESG Committee is responsible for overseeing and monitoring the implementation of strategies and processes, ensuring that PPL's operations align with its ESG objectives.

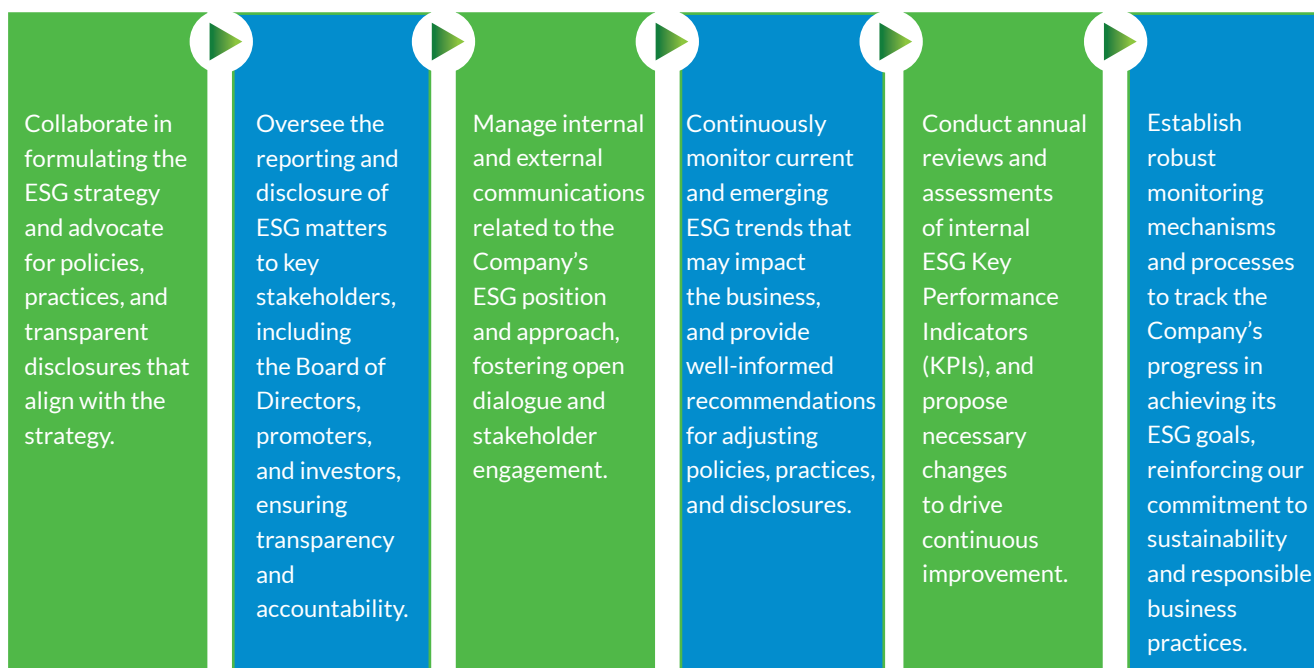
## BUSINESS ETHICS

Paradeep Phosphates has established a governance framework firmly grounded in trust, ethics, and accountability, emphasising transparency and responsibility towards all stakeholders. This framework is reinforced by the implementation of rigorous internal controls and systems that offer clear direction for executing processes and operational strategies. Within

this framework, the Company's ESG approach is bolstered, further enhancing its commitment to responsible and sustainable business practices. PPL has also developed a suite of policies aligned with ESG principles to strengthen governance practices and demonstrate its dedication to responsible business conduct.

POLICY	GUIDELINES
Code of Conduct	The Company's Code of Conduct establishes explicit guidelines and expectations for all employees regarding ethical standards and business practices. It is intricately connected to the organisation's fundamental values and serves as a comprehensive manual to ensure the highest levels of ethical conduct. Furthermore, the Code of Conduct outlines robust channels for addressing grievances, prioritising the protection of employees, and facilitating the resolution of any instances of non-compliance.
Board Diversity Policy	The Company values a diverse Board of Directors for effective governance. A formal Board Diversity policy has been implemented, considering factors like culture, gender, age, regional background, industry experience, talent, and knowledge when selecting Board members. This commitment promotes a representative and experienced Board, fostering inclusivity and enhancing decision-making processes.
Whistle-Blower Policy	A formal reporting mechanism is available to all employees, including permanent, probationary, trainee, and temporary staff, to report any instances of actual or suspected violations of the Code of Conduct or unethical behaviour. This ensures that employees have a structured process to raise concerns and maintain a culture of integrity and ethics within the organisation.

## Key Roles and Responsibilities of ESG Steering Committee



POLICY	GUIDELINES
Corporate Social Responsibility (CSR)	The Company's CSR policy underscores its dedication to social responsibility and community development. Emphasising the importance of local communities as key stakeholders, the Company implements CSR projects in accordance with the provisions of Section 135 of the Companies Act, 2013. By adhering to its CSR policy, the Company aims to make a positive and sustainable impact on society. The projects are carefully planned and executed to address social and environmental challenges and contribute to the overall well-being of the communities it operates in.
Prevention of Sexual Harassment Policy	To establish a safe and inclusive work environment, the Company has implemented a comprehensive Prevention of Sexual Harassment Policy. This policy takes a strong stance of zero tolerance towards any form of workplace harassment. Its primary objective is to foster a secure and supportive atmosphere that is free from all types of harassment. By promoting a work environment where all employees feel respected and protected, the policy aims to enhance women's participation in the workforce, leading to their economic empowerment and contributing to inclusive growth. The Company is committed to upholding this policy and ensuring the well-being and dignity of all employees.
Integrated Management System Policy	The Company has implemented an Integrated Management System (IMS) policy as part of its commitment to enhance operational efficiency and effectiveness. This encompasses a comprehensive approach to aligning processes with the procedures of the International Fertiliser Association's (IFA) Protect & Sustain (P&S) initiative. By adhering to these guidelines, the Company aims to minimise the negative impact of its products and activities on the environment, preserve ecological balance, and safeguard biodiversity in and around its operations. This proactive approach demonstrates the organisation's dedication to sustainable practices and environmental stewardship.







# Awards and Accolades

## Industry Recognition



CIDC Vishwakarma  
Award  
Best Professionally  
Managed Company



Accolades by CII for  
Energy Conservation  
Initiatives

## Awards



CSR Golden Peacock  
Award 2022



Excellence Award by  
Odisha CSR Forum  
2022

## Make in Odisha Conclave November 2022



Exceed Award 2022  
on OSH in  
Platinum Category,  
Goa



PAP Best  
Performance Award,  
FAI 2022

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Saroj Kumar Poddar**

Chairman

**Mr. N. Suresh Krishnan**

Managing Director

**Ms. Kiran Dhingra**

Independent Director up to 26<sup>th</sup> July, 2023

**Mr. Marco Philippus Ardeshir Wadia**

Independent Director up to 18<sup>th</sup> September, 2022

**Mr. Soual Mohamed**

Director

**Mr. Karim Lot i Senhadji**

Director

**Mr. Satyananda Mishra**

Independent Director

**Mr. Dipankar Chatterji**

Independent Director

**Mr. Subhrakant Panda**

Independent Director

**Mrs. Rita Menon**

Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Sachin Patil**

## CORPORATE IDENTIFICATION NUMBER

L24129OR1981PLC001020

## SENIOR EXECUTIVES

**Mr. Harshdeep Singh**

Chief Commercial Officer

**Mr. Raj Kumar Gupta**

Chief Procurement Officer

**Mr. Pranab Kumar Bhattacharyya**

Chief Manufacturing Officer & Unit Head, Paradeep Plant

**Mr. Nilesh Dessai**

Chief Manufacturing Officer & Unit Head, Goa Plant

**Mr. V. Vinay**

Chief Sustainability Officer

## CHIEF FINANCIAL OFFICER

**Mr. Bijoy Kumar Biswal**

## AUDITORS

**M/s. BSR & Co. LLP**

Chartered Accountants

Godrej Waterside, Unit No. 603, 6<sup>th</sup> Floor, Tower 1,  
Sector V, Salt Lake, Kolkata - 700091, West Bengal, India

## BANKERS

State Bank of India

Canara Bank

Punjab National Bank

HDFC Bank Limited

ICICI Bank Limited

Axis Bank Limited

DBS Bank India Limited

Bank of India

Indian Bank

## REGISTERED OFFICE

5<sup>th</sup> Floor, Bayan Bhavan, Pandit Jawaharlal Nehru Marg,  
baneswar - 751001, Odisha, India

## CORPORATE OFFICE

3<sup>rd</sup> Floor, Adventz Centre, 28, Union Street,  
Off Cubbon Road, Bengaluru - 560001, Karnataka, India

## PLANT SITE

**Paradeep Unit**

PPL Township, Paradeep - 754145,

Dist - Jagatsinghpur, Odisha

**Goa Unit**

Jai Kisaan Bhawan, Zuarinagar - 403726, Goa

## REGISTRARS & SHARE TRANSFER AGENTS

**Link Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, 247, Lal Bahadur Shastri Marg, Vikhroli  
(West), Mumbai - 400083, Maharashtra, India

Tel: +91 22 4918 6200

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: <https://www.linkintime.co.in/>



# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT





## SECTION A: GENERAL DISCLOSURES

## I. Details of the listed entity

1. Corporate Identity Number (CIN) of Listed Entity	L24129OR1981PLC001020
2. Name of the Listed Entity	PARADEEP PHOSPHATES LIMITED
3. Year of Incorporation	1981
4. Registered office address	5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar - 751 001
5. Corporate Address	3rd Floor, No. 28, Union Street, Off-Cubbon Road, Bengaluru - 560 001
6. E-mail	cs.ppl@adventz.com
7. Telephone	080-46812536
8. Website	www.paradeepphosphates.com
9. Financial year for which reporting is being done	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
10. Name of the Stock Exchange(s) where shares are listed	(i) BSE Limited (ii) National Stock Exchange of India Limited
11. Paid-up Share Capital	₹ 81,44,97,61,90
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	Mr. Susnato Lahiri Telephone : 080 46812500 Email : susnato.lahiri@adventz.com
13. Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosure under this BRSR is on a standalone basis, unless otherwise stated.



## II. Products/services

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

Description of Main Activity	Description of Business Activity	% of Turnover of the entity
Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	100%

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

Product/Service	NIC Code	% of total Turnover contributed
Manufacture of urea and complex fertilisers	20121, 20122	100%

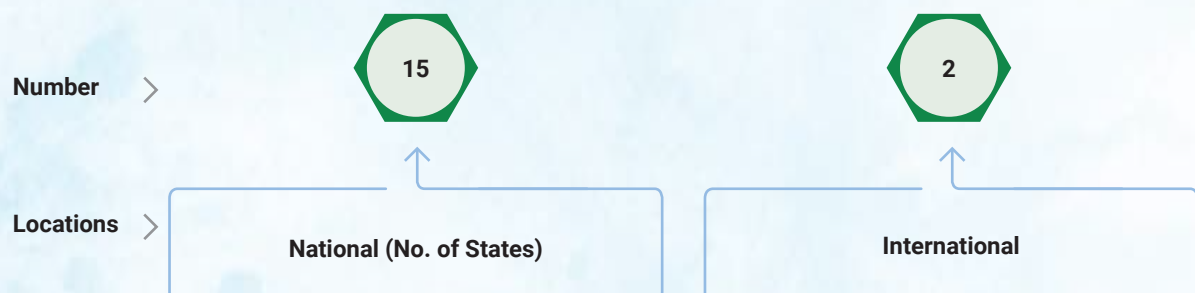
## III. Operations

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

	Number of Plants	Number of Offices	Total
National	2	21	23
International	NA	NA	NA

### 17. Market served by the entity

#### a. Number of locations



**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

0.06%

**c. A brief on types of customers**

Paradeep Phosphates Limited caters to a wide array of customers, ranging from agricultural retailers and distributors to farmers, cooperatives, Government agencies, research institutions and potentially even international markets. With farmers as our primary customer base, we recognise the importance of ensuring that our products cater to their needs and address on-the-ground challenges. Our products have positively impacted the lives of over 8 Million farmers.

**IV. Employees****18. Details as at the end of Financial Year****a. Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (B)	% (B/A)
EMPLOYEES						
1.	Permanent (D)	1,476	1,412	95	64	5
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total Employees (D+E)</b>	<b>1,476</b>	<b>1,412</b>	<b>95</b>	<b>64</b>	<b>5</b>
WORKERS*						
1.	Permanent (F)	1,010	992	98	18	2
2.	Other than Permanent (G)	-	-	-	-	-
3.	<b>Total Employees (F+G)</b>	<b>1,010</b>	<b>992</b>	<b>98</b>	<b>18</b>	<b>2</b>

\* refers to contractual workforce


**b. Differently abled Employees and workers**

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (B)	% (B/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)		Nil			
2.	Other than Permanent (E)					
3.	Total differently abled employees (D+E)					
DIFFERENTLY ABLED WORKERS						
1.	Permanent (F)		Nil			
2.	Other than Permanent (G)					
3.	Total differently abled workers (F+G)					







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

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5
Key Management Personnel	3	0	0

## 20. Turnover rate for permanent employees and workers

	2022-23			2021-22			2020-21		
 Permanent Employees	Male	Female	Total	Male	Female	Total	Male	Female	Total
	8%	10%	9%	8%	5%	7%	8%	11%	8%
 Permanent Workers*	Male	Female	Total	Male	Female	Total	Male	Female	Total
	8%	18%	8%	5%	0	5%	8%	0	8%

\*refers to contractual workforce

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

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

Name of the holding/ subsidiary / associate companies / Joint ventures (A)	Indicate whether holding / Subsidiary/ Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity
Zuari Marco Phosphates Private Limited	Holding	56.10%	No
Zuari Yoma Agri Solutions Limited	Joint Venture	50%	No

## VI. CSR Details

22.

(i)

Whether CSR is applicable as per Section 135 of Companies Act, 2013

Yes

(ii)

Turnover (in ₹)

₹ 13,340.72 Crores

(iii)

Net worth (in ₹)

₹ 3,505.21 Crores

## VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) ( If yes, then provide web-link for grievance redress policy)*	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investor (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	2	0	NA	0	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers/ Consumers	Yes	0	0	NA	0	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Others (please specify)	Yes	0	0	NA	0	0	NA

**\*Note:**

Details related to grievance redressal mechanism is covered in the Company's code of conduct and PoSH policy (<https://www.paradeepphosphates.com/investors/corporate-governance>).



For shareholders, the redressal mechanism is available at: <https://www.paradeepphosphates.com/investors/corporate-governance#investor-address>





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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:



 Risk  Opportunity


S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational health and Safety	Risk 	As a responsible employer, we have a responsibility to ensure our workplace is safe and healthy, with no accidents or illnesses. In addition, poor occupational health and safety (OHS) performance results in a direct negative impact on labour costs through decrease in productivity.	In order to mitigate the risk, Paradeep implements robust procedures such as both Goa and Paradeep plants are ISO 45001 certified (Occupational Health and Safety Management Systems). Various safety oriented SOPs have been formulated and its strict implementation is strongly monitored. Regular health and safety training is organised. Additional initiatives included preparing for HIRA. Conducting Hazop study and process safety audit including observation by external agency and CICG inspection by Govt. of Odisha are also carried out.	<b>Negative:</b> Any workplace incidents, especially those resulting in injuries or harm to the workforce, can adversely impact the Company's reputation. Negative publicity and public perception can lead to customer distrust, loss of business opportunities, and difficulties in attracting and retaining skilled employees.
2	Chemical Safety	Risk 	Due to the nature of the operations, the Company is heavily involved in the production or handling of chemicals, particularly phosphates and ammonia. These chemicals can be hazardous if not handled and managed properly, posing various risks to both employees and the surrounding environment.	Paradeep has taken various initiatives to reduce harmful impact of hazardous chemicals: - Various SOPs and safety manuals have been formulated specifying clear instructions on safe handling of the chemicals. - Periodic meetings, training and discussions are undertaken to enable employees to proactively identify hazardous conditions and unsafe practices. - Regular internal and third party audits are conducted and results are shared with the senior management - Adequate PPEs are provided to ensure safety in storage, handling and transportation of chemicals.	<b>Negative:</b> Any incidents related to chemical safety can negatively impact the Company's reputation among stakeholders, customers, and investors. Major accidents or environmental incidents could disrupt operations, leading to production delays or shutdowns, affecting the Company's financial performance.



S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Business Ethics	Opportunity 	Good governance helps standardise a company's systems & processes. To ensure ethical conduct across the organisation, various governance oriented policies such as code of conduct, whistleblower policy, PoSH policy, etc. have been formulated. Defined roles and responsibilities of senior management ensure strict implementation and proper review of issues/concerns,	Paradeep Phosphate's Code of Business Conduct and Ethics provides its commitment against aspects such as bribery, gifts, insider trading, harassment, etc. It also mentions the escalation mechanism if an individual wants to raise a concern/complaint.  The Company has formulated an ESG Steering Committee to support its commitment towards environment, corporate social responsibility and corporate governance.	<b>Positive:</b> Good corporate governance systems ensure that a company is managed in the interests of shareholders (including minority shareholders).
4	Environmental management	Risk 	Paradeep Phosphate's commitment towards protecting the natural environment and conserving resources has been embedded in our value system. Upholding these principles and complying with applicable regulatory requirements can affect the overall performance and enhance the Company's image with the stakeholders.	The Company's manufacturing plants are ISO 14001 certified (Environmental Management Systems).  In the PAT Cycle-1, energy saving targets were achieved.  In the PAT Cycle-2, PPL is entitled to purchase 1,926 no of escerts which are purchased from the energy exchange platform.  Regular third party energy audits are conducted and regular monitoring of the energy efficiency of our equipment and processes are done to identify key areas of improvement.  Compliance with state and central pollution control boards requirements are adhered to at all times.	<b>Negative:</b> In case of any non-compliance with environmental norms and regulations, Paradeep Phosphates can face reputational damage as well as adverse financial repercussions.



S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Inclusion and Diversity	Opportunity 	A diverse workforce brings together individuals with different backgrounds, perspectives, and experiences. This diversity of thought fosters creativity and innovation within the Company. When employees from diverse backgrounds collaborate, they can generate a wider range of ideas and solutions, leading to improved problem-solving and a competitive edge in the market.	For strong governance, the Company has a Board Diversity policy in place.  Focus on the right talent for the right role during hiring and recruitment, irrespective of individual's gender, religion, and region.	<b>Positive:</b> Inclusive and diverse workplaces increase employee morale and job satisfaction. When employees feel valued and respected for their individuality, they are more likely to be engaged and committed to their work. This positive work environment leads to increased productivity and overall better performance.
6	Responsible Supply Chain	Risk 	As a phosphates manufacturer, Paradeep Phosphates Limited relies on a steady and reliable supply of raw materials. An efficient supply chain ensures that the Company can access the necessary inputs to maintain uninterrupted production and meet customer demands.	To mitigate risk, the Company has taken various initiatives:  - Shift to supply of Molten Sulphur from IOCL to reduce overall carbon footprints of the supply chain.  - Established a vendor evaluation system for onboarding a new supplier wherein suppliers are required to go through a screening process that includes various ESG criteria such as EHS compliance, safe work practices, etc.  - To ensure continuous supply, we have maintained critical vendor partnerships and created alternative domestic sources.	<b>Negative:</b> A diversified supply chain can help withstand unexpected disruptions, such as natural disasters, geopolitical issues, or supplier-related problems. Having alternative suppliers or contingency plans in place ensures continuity of operations during challenging times.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Community Relations	Opportunity 	Maintaining positive relationships with the local community is crucial for obtaining and retaining the social license to operate. When the Company has the support and trust of the community, and it is more likely to gain approval for its operations and expansion plans, reducing the risk of facing opposition or protests.	The Company's CSR policy provides the overall framework to our approach to community relations and development. Thrust areas of PPL's community development framework include Livelihoods, Education, Health (WaSH- Water, Sanitation and Hygiene), and Environment.	<b>Positive:</b> Positive community relations contribute to a favourable reputation and brand image for Paradeep Phosphates Limited. Being viewed as a responsible and engaged corporate citizen enhances the Company's standing among consumers, investors, and other stakeholders.





## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

- P1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
- P2** Businesses should provide goods and services in a manner that is sustainable and safe
- P3** Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4** Businesses should respect the interests of and be responsive to all its stakeholders
- P5** Businesses should respect and promote human rights
- P6** Businesses should respect and make efforts to protect and restore the environment
- P7** Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8** Businesses should promote inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their consumers in a responsible manner

	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.c.	Web Link of the Policies, if available	Details of the company's policies can be found on its website: <a href="https://www.paradeepphosphates.com/investors/corporate-governance">https://www.paradeepphosphates.com/investors/corporate-governance</a>								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"><li>- Environment Management Systems (ISO 14001)</li><li>- Occupational Health and Safety Management Systems (ISO 45001)</li><li>- Information Security Management Systems ISO 27001:2013</li><li>- Global Reporting Initiative Standards</li><li>- Good Manufacturing Practice (GMP) Compliant Facilities</li><li>- Protect and Sustain International Fertiliser Association (IFA)</li></ul>								
5.	Specific commitments, goals, and targets set by the entity with defined timelines, if any.	To adhere to the policies covering each principle and its core elements of the NGRBC.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Overall, the Company's performance is in line with its commitments.								
Governance, leadership, and oversight										
7.	As a leading player in the fertiliser industry in India, Paradeep Phosphates Limited is committed to creating a food-secure nation through innovative and affordable solutions for farmers. By adopting a purpose-led approach, guided by the core values of sustainability, agility, integrity and customer-first, we manage our Environment, Social, and Governance (ESG) impacts. Our approach is designed to create value for our stakeholders and drive excellence beyond profitable growth. As a responsible corporate citizen, we recognise the need to realign our business strategies and priorities to address emerging challenges and risks such as the COVID-19 pandemic. In alignment with this, Paradeep Phosphates in FY 23 has captured the highlights of ESG in BRSR report and is in the process of publishing its second sustainability report guided by the principles of International Integrated Reporting Council's (IIRC) Integrated Reporting Framework, Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (SDGs). The sustainability reports capture the material topics, the achievements in each aspect of environment, social and governance and the concomitant impact. As a practice, the company proactively strives to innovate sustainably across its entire value chain including utilizing green energy.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	Mr. N Suresh Krishnan, Managing Director.								
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Company has formulated an ESG Steering Committee to manage sustainability related issues at the organisation.  For more information related to objectives, duties and responsibilities please visit: <a href="https://www.paradeepphosphates.com/uploads/content/ppl-esg-steering-committee-charter-09022023.pdf">https://www.paradeepphosphates.com/uploads/content/ppl-esg-steering-committee-charter-09022023.pdf</a>								



# 10. Details of Review of NGRBC by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually / Half yearly/ Quarterly / Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads / Director /board committees / board members, wherever applicable.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Board assesses the report on Business Responsibility on an annual basis.  The Company is in compliance with the extant regulations, as applicable.																	

# 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

P	P	P	P	P	P	P	P	P
1	2	3	4	5	6	7	8	9
The Company's policies are not audited/evaluated by external agencies. However, as a good corporate practice, the policies are reviewed by various committees of the Board of Directors and the Board of Director reviews, amends the policies on periodical basis to incorporate statutory and business requirements.								

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

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





## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE → 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.

## ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	The Company provides a detailed review of the business operations of the Company on a quarterly basis and also provides updates on various Government policies, ESG matters, and safety-related issues/concerns. These topics provide awareness on the given Principles.		
Key Managerial Personnel	2	The topics cover the Company's overall business growth, performance in ESG and sustainability, corporate governance practices, employee well-being, innovation and R&D.	100%
Employees other than Board of Directors and KMPs	122	Human right & policy, integrated management system (IMS), energy conservation, biomedical waste, safety & security, and skill development	100%
Workers	101	Human right & policy, integrated management system (IMS), energy conservation, biomedical waste, safety & security, and skill development	98%



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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement, compounding fees			Nil		

Non-Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial Institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment			Nil	

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

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	NA

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

Yes, the Company's commitment towards anti-bribery and corruption is embedded in its code of conduct and is applicable to Directors and employees. Bribe is the offer of something of value with the intent to influence an official act of a customer, supplier, Government official or international agency. The Company strongly prohibits improper payments directly or indirectly in all its dealings with customers, Government officials and any other national or international agencies. It can be accessed at:

<https://www.paradeepphosphates.com/uploads/content/codeofbusinessconductandethicsnew1677899628.pdf>



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

	2022-23	2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	2022-23		2021-22	
	Number	Remarks	Number	Remarks
KMPs	Nil	NA	Nil	NA
Workers	Nil	NA	Nil	NA

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

– Not Applicable

**LEADERSHIP INDICATORS**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the FY 2022-23:**

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	NA	NA

**2. Does the entity have processes in place to avoid/manage conflict of interest involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company has a Code of Conduct (CoC) that deals with conflict of interest. This applies to all employees, including the Board of Directors. A 'conflict of interest' exists when personal interest interferes in any way with the interests of the Company. As a general expectation, Directors/ Employees should avoid actual or apparent conflicts of interest between their personal and professional relationships. If there's a possible conflict of interest, individuals are required to openly disclose all the relevant information and seek guidance from his/her immediate superior and/ or the Chairman of the Audit Committee. After that, the Company may take necessary actions to ensure there's no conflict of interest.





## PRINCIPLE → 2 Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

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

	2022-23	2021-22	Details of improvements in environmental and social impacts
Research & Development (R&D)	100%	100%	For details on environmental and social benefits driven by the Company, please refer to chapters - (Human Capital), (Intellectual Capital) and (Natural Capital) of the integrated report.
Capex	25%	-	

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

We are in the process of developing a standardised framework for sustainable sourcing.

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

Not available.

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

- a) **Plastics (including packaging)**

PPL handles all plastic waste in accordance with the Plastic Waste Management Rules, 2016, and any subsequent amendments. Pre-consumer plastic waste generated within the factory premises, such as incoming raw materials packaging and waste bags produced during the packing of fertilisers, is collected and stored in designated yards/ bins specifically allocated for plastic waste. Subsequently, the Company collaborates with an authorised recycler approved by the Goa State Pollution Control Board to manage the proper disposal of the collected plastic waste. Additionally, for packaging products, PPL has implemented Extended Producer Responsibility (EPR) compliance in accordance with Plastic Waste Management Rules 2016.

- b) **E-Waste**

PPL handles all e-waste as per the E-waste Management Rules, 2016. To ensure proper management, a separate shed is maintained for the storage of all e-waste. All the E-waste generated is sold to dismantlers/recyclers authorised by Goa State Pollution Control Board only. Further, records are maintained in line with the E-Waste Management Rules, 2016. Annual returns in Form 3 are submitted to the Goa State Pollution Control Board on an annual basis.

**c) Acid Batteries**

Paradeep Phosphates Limited (PPL) has a buyback of used battery policy with the vendor for lead acid batteries.

**d) Hazardous waste**

The hazardous waste generated from various plant areas is received by stores in closed MS drums/barrels. These drums are neatly stored in the corresponding demarcated area within the Hazardous waste shed. Hazardous waste labels, as per Form 8 of Hazardous Waste Management Rule 2016, are pasted onto the drums/containers to be disposed of. Regarding chemical sludge generated from the effluent recycle plant, the sludge is dried in sludge drying beds and then completely recycled to NPK-A & NPK-B plants. The Management of Hazardous Waste follows a Standard Operating Procedure (SOP).

**e) Other waste**

It includes waste such as metal scrap, waste activated carbon, rubber scrap, etc.

All solid wastes generated are segregated into separate bins. Bio-degradable wastes is collected in green colour bin, non-bio-degradable waste is collected in blue colour bin and wasted containing oil is collected in gray colour bin.

Non-bio-degradable waste generated at PPL is sent to Goa Waste Management Corporation Limited, Goa, for co-processing/recycling/ disposal.

Bio-degradable waste generated from canteens, offices and households in the township is sent to the vermicomposting unit at PPL premises, which in turn produce organic manure (bio fertiliser).

**Construction debris:** It is used along with backfilling material for structure / building foundation, and road making.

**Sand from filters:** Used along with backfilling material for structure / building foundation, road making etc.

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

Yes, EPR is applicable to PPL's activities as per Plastic Waste Management Rules, 2016.

- We strictly adhere to all relevant environmental regulations and guidelines regarding the handling and disposal of plastics and packaging. As per the Plastic Waste Management Rules 2016, Paradeep Phosphates Limited is registered with Central Pollution Control Board (CPCB) as a Brand Owner under Extended Producer Responsibility (EPR) for disposal of plastic waste generated due to PPL's products.
- The Company has been making all efforts to reduce end-user plastic waste and setting an example for other companies.
- The Company is closely working with GEM Enviro Management Private Limited which is a Waste Management Agency (WMA) that specialises in collection and aggregation of all kinds of packaging waste in a professional and organised manner backed by technology on PAN India basis.
- The Company is collaborating with GEM not only to fulfil its EPR (Extended Producer Responsibility) compliances as stipulated under the PWM Rule 2016, amended in 2018 but also to take the lead and set an example towards managing post-consumer plastic waste.
- Under our EPR activity, the Company, in 2022-23 has diverted approximately 1,440 tonnes of post-consumer plastic waste from landfills to recycle, and contribute towards a greener and cleaner environment.





## LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessment (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? (Yes/No). If yes, provide details in the following format?

No life cycle assessment was conducted for any of our products during the reporting period.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessment (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

No life cycle assessment was conducted during the reporting period.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

Indicate input material	Recycled or reused input material to total material	
	2022-23	2021-22
Phosphogypsum for Zypmite production	1.01%	0.93%

4. Of the products and packaging reclaimed at end of life of products, amount (in Metric Tonnes (MT)) reused, recycled, and safely disposed, as per the following format:

Not applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable



**PRINCIPLE → 3** Businesses should respect and promote the well-being of all employees, including those in their value chain.

### ESSENTIAL INDICATORS

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

% of employees covered by											
Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care	
		No (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	1,412	882	62%	1412	100%	NA	NA	538	100%	NA	NA
Female	64	42	65%	64	100%	64	100%	NA	NA	47	73%
Total	1,476	924	62%	1476	100%	64	4%	538	36%	47	3.18%
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	616	616	100	616	100	616	100	616	100	616	100
Female	4	4	100	4	100	4	100	4	100	4	100
Total	620	620	100	620	100	620	100	620	100	620	100
Other than Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-



## 2. Details of retirement benefits

	PF	Gratuity	ESI	Others – please specify	
2022-23	No. of employees covered as a % of total employees	100%	100%	7%	100%
		100%	8%	100%	No. of employees covered as a % of total employees
2021-22	No. of workers covered as a % of total workers	100%	100%	Nil	100%
		100%	Nil	100%	No. of workers covered as a % of total workers
2022-23	Deducted and deposited with the authority (Y/N/N.A.)	Y	Y	Y	Y
		Y	Y	Y	Deducted and deposited with the authority (Y/N/N.A.)

## 3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. - Yes/No

Yes

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. - Yes/No







Yes.

The Company has a Code of Conduct which covers equal opportunity for all employees and the same can be accessed at:

<https://www.paradeepphosphates.com/uploads/content/codeofbusinessconductandethicsnew1677899628.pdf>



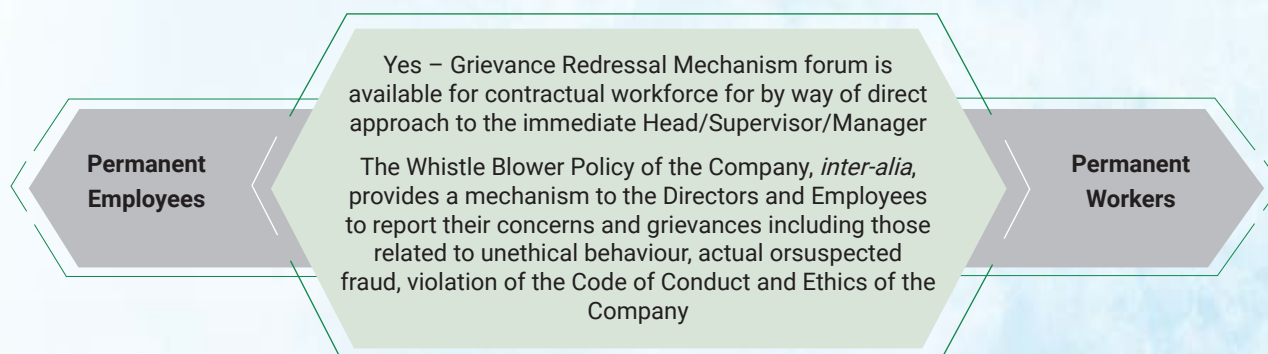
## 5. Return to work & Retention rates of permanent employees and workers that took parental leave.

Permanent employees			*Permanent workers		
	Return to work rate	Retention rate		Return to work rate	Retention rate
 Male	41%	100%	 Male	27%	100%
 Female	1%	100%	 Female	1%	100%
 Total	42%	100%	 Total	28%	100%

\*Permanent workers refer to contractual workforce.

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

Yes/No (If Yes, then give details of the mechanism in brief)





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

Category	2022-23			2021-22		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (C/D)
<b>Total Permanent Employees</b>						
Male	1,412	404	28%	857	409	47%
Female	64	19	29%	35	19	54%
<b>Total Permanent Workers*</b>						
Male	992	992	100%	593	593	100%
Female	18	18	100%	5	5	100%

\*Permanent workers refer to contractual workforce.

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

Category	Total (A)	2022-23				Total (D)	2021-22			
		On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
Employees										
Male	1,412	802	56	1,018	83	857	246	28	277	857
Female	64	25	39	9	15	35	2	5	5	35
Total	1,476	827	56	1,027	80	892	246	27	277	857
Workers*										
Male	992	992	100	-	-	593	-	-	-	-
Female	18	18	-	-	-	5	-	-	-	-
Total	1,010	1010	100	-	-	598	-	-	-	-

\*Workers refer to contractual workforce.

## 9. Details of performance and career development reviews of employees and worker:

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1,412	1,412	100	857	857	100
Female	64	64	100	35	35	100
<b>Total</b>	<b>1,476</b>	<b>1,476</b>	<b>100</b>	<b>892</b>	<b>892</b>	<b>100</b>
<b>Workers*</b>						
Male						
Female						
<b>Total</b>						

\*Workers refer to contractual workforce.



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

Yes, we have implemented an occupational health and safety management system. Both of our manufacturing units (Paradeep in Odisha and Zuarinagar in Goa) have been certified under ISO 45001. The coverage is 100% of our entity, and it covers both regular employees and contractors.

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

PPL employs a comprehensive approach to identify work-related hazards and assess risks on both routine and non-routine basis. It further includes the active involvement of the Company's senior executives, zonal safety members and contract workers. To identify the risk and its priority, we have employed Hazard identification and risk assessment (HIRA) which serves as a foundational step in our safety management process.

As part of our routine safety measures, the Company conducts a thorough Why-Why analysis, along with process safety audits, which often involve external agencies for impartial observations. Additionally, the entity undergoes inspections by the Government of Odisha's CIG (Chief Inspectorate of Factories) to ensure adherence to safety standards.

Moreover, we proactively conduct Hazard and Operability (HAZOP) studies and Quantitative Risk Assessments (QRA) to gain deeper insights into potential risks. Based on the findings of these assessments, the Company formulates Standard Operating Procedures (SOPs), Operational Control Procedures (OCP), and Safety Management Plans (SMP), which are rigorously practiced across the organisation.

For non-routine activities that involve higher risk levels, job safety analysis (JSA) is performed to thoroughly assess and mitigate potential hazards. Safety Mobile App is launched that enables instant recording and sharing of unsafe observations. Safety touch initiatives and safety hot spots are implemented to identify unsafe conditions and vulnerable hot spots at the shopfloor. Daily inspections are carried out by dedicated safety officers, ensuring continuous monitoring of safety protocols.

Employee participation is encouraged in safety improvement through a suggestion box placed strategically at various locations. To ensure ongoing commitment to safety, the entity sets Accident Prevention Plans with safety targets, actively overseen by Heads of Departments (HOD) and Heads of Sections (HOS). Regular surveys are conducted to understand the employees' concerns regarding safety. A cross-functional team conducts monthly visits to the plant and contractors' sheds to inspect tools and tackles. The Task Force Committee is established to focus on workplace safety, guiding personnel to adhere to SOPs and enforcing safe practices during shutdown procedures.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No) -Yes**











The Company has a centralised committee in place to which workers can reach out and raise their concerns about work-related hazards. These include the Central Safety Committee (Apex Safety Committee) and Zonal Safety Committees (Sub-Safety Committees). Regular monthly safety meetings are conducted by the contractor wherein workers' concerns can be heard and addressed. In addition, safety suggestion boxes are kept at the gates and canteen and suggestions can be dropped into it. On every third Thursday of the month, mass safety responsiveness (Safety Mann Ki Baat) is organised. Concerns can also be raised during safety theme meeting & morning safety pep talks.



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

Yes

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

Safety Incident/Number	Category	<div>  Employees            Workers         </div>	
		2022-23	2021-22
Lost time Injury Frequency Rate (LTIFR) (per one million-person injuries)		0	0
		0.13	0.11
Total recordable work-related injuries (LTA)		0	0
		1	1
No. of fatalities		0	0
		3	1
High consequences work-related injury or ill-health (excluding fatalities)		1	0
		3	2



## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To maintain health & safety culture at workplace, following initiatives have been adopted/implemented:

- Daily safety talk is conducted at the entry gate for contractor people & safety personnel.
- Periodic refresher safety awareness 'Gyaan Sabha' is conducted for all employees.
- Safety rules are displayed across the facilities.
- Regular safety related sessions are undertaken by supervisors including monthly business partner safety meetings. Training on Emergency Preparedness is provided to employees, contractors and to security personnels.
- Implemented Energy Management System (ISO 50001) and 5S certification. The certification (5S) stands for Sort, Straighten, Shine, Standardise and Sustain that encompasses high quality housekeeping & physical environment at the workplace.
- Driver's road safety declaration during entering of new heavy vehicles.
- Audio visual safety induction in Odia, Hindi and English languages for new entrants.
- Water pond made for accidental acid splash at SAP plant.
- New committee constituted for monthly physical inspection of lifting tools and tackles
- Quantitative risk assessment of the industry.
- Recognition to a person in every month's Contribution to Safety Committee (CSC) to recognise an individual's efforts and contributions towards maintaining and improving safety.
- Accident prevention plan made by individual section heads and submitted to the Ministry of Labour, Govt. of Odisha.
- Addressable fire detection system such as optical smoke detectors, response indicators, hooter with flashers, etc. along with repeater panel installed at Navratna Building & emergency Control room.
- New road safety signage's (Cat eyes, median markers, delineators, spring posts, thermoplastic paints and reflectors on trees) installed inside the plant.
- Well maintained workplace model, 'AAINAA' initiated at SAP, CPP ,WTP & Offsite plant.
- Adopted 7 industries as Safety Buddies.
- PPE's provided to workers to ensure safety and protection in the plant.
- Cooling vest provided to help support work in high temp/humidity area & confined space.
- Diphoterine solution provided to all sections for immediate assistance on the spot to manage an incident for instances when eyes/body part splashed by a chemical.
- Burn-free First aid kit and blankets provided to all sections.
- STK, GPS, satellite phone, communication earmuff and LED installed near entry gate for better awareness.
- Cross Functional Team constituted to find out the working condition of lifting tools, tackles, sling, wire ropes etc. inside the plant & kept in sheds.

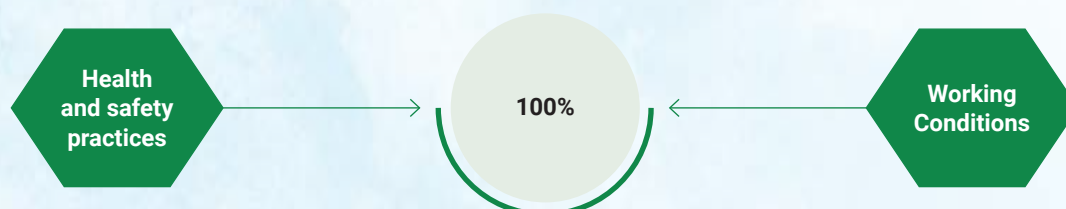


### 13. Number of Complaints on the following made by employees and workers:

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

### 14. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)



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

- We have done Comprehensive Risk Assessment (CRA) in 2011 by M/S-DNV, Hyderabad & in 2012 by M/S Rams Safety Consultants, Chennai. Also, we have conducted gap assessment in Process Safety Management (PSM) in 2013 through partnering with Prism Consultancy, Chennai. As we are IMS Certified, we have the application of HIRA (Hazard identification & risk analysis) with control measures. Job safety analysis is carried out before initiating any critical work, going through process safety management audit (Prism consultancy, Chennai), Industrial Hygiene & Ergonomic Survey was conducted by inviting M/s. Arvind Industrial Hygiene Consultancy- Raipur in 2018 & external safety audit was carried out by M/S-NSC, Mumbai in 2016, 2018 & 2022. It is done as per BS-14489, Factories Act & MAH Rules-2001 rule-9 & OSHA CFR-29 and internal safety audit conducted by internal cross functional team, including CIGC audit.
- All the new machines were subjected to HAZOP study, HIRA & job safety analysis before being put into the job. The proper SOP is followed. The OCP change management is followed. The concerned manager of the plant ensures safe usage of the new machinery.
- All Employees & Contract workers are taking part in Safety awareness programmes conducted regularly. In career advancement Safety is taken into account as KRA for the employees. If there will be incident, 10% of the total value will be deducted from annual pay. For awarding any contract, the previous record of the contractor is taken into consideration in relation to human safety.
- All the incidents (Near miss, First aid, minor, and reportable) are being reported including fire, and investigated thoroughly to find out the root cause and develop a corrective and preventive action plan. A specially trained cross functional team for conducting RCA is in place.



## LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Regular audit conducted by the Internal auditor and yearly audit by Statutory Auditors of the Company.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment)

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2022-23	2021-22	2022-23	2021-22
Employees	01	Nil	0	0
Workers	03	02		

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes



**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

- Due to the possibility of incident through daily exposure of workers, first aid boxes are kept in different locations and equipped with the appropriate medicines as per quality of wounds or injuries that may occur in the facility.
- First aid centre established at plant site with 24x7 engagement of one Pharmacist at first aid centre. 60 workers have been trained as first aiders for any medical emergency at the plant site.
- Providing plenty of beverages and pills that contain mineral salts to compensate for liquids and salts lost by the body as a result of exposure to heat. Heat stroke rooms are also established at hospitals for emergencies.
- Workers with heart diseases are excluded from work in cold areas
- Regular BP, HTN & other vitals are measured through the first aid centre inside the facility or site before working at Height .
- Periodical medical check-ups are conducted for workers
- Provided ear plugs or ear caps that fit the noise levels at the work site. In addition to periodical-related medical check-ups conducted to measure their hearing ability.
- Proper masks are provided to restrict dust from entering the body. Regular health checkups are done for employees to assess their medical conditions.
- Instant hospital facilities are readily available, with ambulances, doctors, pharmacists, etc.






**PRINCIPLE → 4 Businesses should respect the interest of and be responsive to all its stakeholders**
**ESSENTIAL INDICATORS**
**1. Describe the processes for identifying key stakeholder groups of the entity.**

At Paradeep Phosphates, we believe that stakeholders play an integral role in business operations and recognise the importance of engaging with stakeholders to understand their concerns, for long-term business sustainability. We have adopted an inclusive approach towards stakeholders by engaging with them through meaningful dialogue and identifying the topics that are of high priority.




Core stakeholders have been identified as individuals or groups of individuals or institutions that contribute to our operational success and strengthen the value of our business chain activities. Also, as part of our materiality assessment exercise undertaken in 2021-22, the Company identified a sample set of internal and external stakeholders to capture their inputs. The key stakeholder groups include employees, customers, suppliers, investors/shareholders, Government/regulators, industry associations, communities and NGOs.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Employees	No	<ul style="list-style-type: none"> <li>- Satisfaction surveys</li> <li>- Grievance redressal</li> <li>- Annual engagement activities</li> <li>- Meetings with employee associations and unions</li> </ul>	Regular and on a continuous basis	<ul style="list-style-type: none"> <li>- To inform about employees' well-being initiatives</li> <li>- For training and development</li> <li>- To address employees' grievances</li> <li>- Regarding the Company's progress and growth plans</li> </ul>
 Customers	No	<ul style="list-style-type: none"> <li>- Annual customer meet</li> <li>- Zonal customer meet</li> <li>- Customer interactive meet</li> </ul>	Regular and on a continuous basis	<ul style="list-style-type: none"> <li>- Ensuring customer satisfaction and needs are met</li> <li>- Resolving customer grievances</li> <li>- Information about products, its use and benefits</li> </ul>
 Suppliers	No	<ul style="list-style-type: none"> <li>- Supplier meets</li> <li>- Industry conclave</li> </ul>	Regular and on a continuous basis	<ul style="list-style-type: none"> <li>- Ensuring business ethics and alignment with organisational values</li> <li>- Ensure quality of material is met - Integration of ESG aspects into supplier operations</li> </ul>





Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Investors/ Shareholders	No	-Investor meets -Press conferences	Regular and on a continuous basis	- Give updates on the Company's business and financial performance - Regarding growth and future strategy
 Government and Regulatory authorities	No	- Through MoUs - Quarterly - Progress Report - Annual Report	Regular and on a continuous basis	- Regarding clarification on guidelines and advice on technical/regulatory points - Share updates on the Company's initiatives to ensure alignment with regulatory requirements
 NGOs/ Community members	Not all stakeholder groups are considered vulnerable. (In the local community, the Company works with the lower socio-economic section of society)	-Project Meetings -Annual Reviews	Event driven and on need basis	- Provide support to NGOs for social upliftment - Ensure communities we operate in are supported through a network of NGOs - Creating shared value

## LEADERSHIP INDICATORS

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

At Paradeep Phosphates Limited, we believe that stakeholder engagement is important to identify pertinent issues on economic, environment, and social parameters. We undertook an extensive stakeholder engagement exercise in 2021-22 to identify material topics and mapped the associated risks. The Company periodically reviews stakeholder engagement exercise to identify the material issues which influence both internal and external stakeholders.



**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No), If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities or the entity.**

Yes, we have identified material challenges related to environmental and social topics. The Company has formulated management strategy and risk mitigation techniques based upon the material challenges identified. The Company discloses its management strategy, targets/goals and other non-financial disclosures in the sustainability report every year.

**3. Provide details of instances of engagement with, and action taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

We undertake several CSR initiatives to engage with marginalised/vulnerable sections of community stakeholders. The Company focusses on education, livelihood improvement, healthcare, environment, farmer collaboration as part of various CSR programmes.



## PRINCIPLE → 5 Businesses should respect and promote human rights.

### ESSENTIAL INDICATORS

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

Category	2022-23			2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (A)	No. of employees / workers covered (B)	% (B/A)
<b>Employees</b>						
Permanent	1,476	635	43	892	495	55
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>1,476</b>	<b>635</b>	<b>43</b>	<b>892</b>	<b>495</b>	<b>55</b>
<b>Workers*</b>						
Permanent	527	269	51	598	398	67
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>527</b>	<b>269</b>	<b>51</b>	<b>598</b>	<b>398</b>	<b>67</b>

\*Data pertains to only paradeep plant and workers refer to contractual workforce.

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

Category	2022-23					2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	No. (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1,412	0	0	1,412	100	857	0	0	857	100
Female	64	0	0	64	100	35	0	0	35	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers*										
Permanent										
Male	992	-	-	992	100	593	0	0	593	100
Female	18	-	-	18	100	5	0	0	5	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

\*Workers refer to contractual workforce.



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

Category	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BOD)	4	482,500	1	645,000
Key Managerial Personnel	3	64,47,000	Nil	NA
Employees other than BOD and KMP	1,412	9,84,423	64	8,00,319
Workers	992	3,82,938	18	3,55,984

### 4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

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

An aggrieved employee has the option to meet departmental head/concerned supervisor, e-mail or send a letter to discuss his grievances. However, in order to ensure a time bound redressal of grievances; the grievance redressal process follows a three-tier escalation system.

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

Category	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issued	Nil	Nil	-	Nil	Nil	-





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

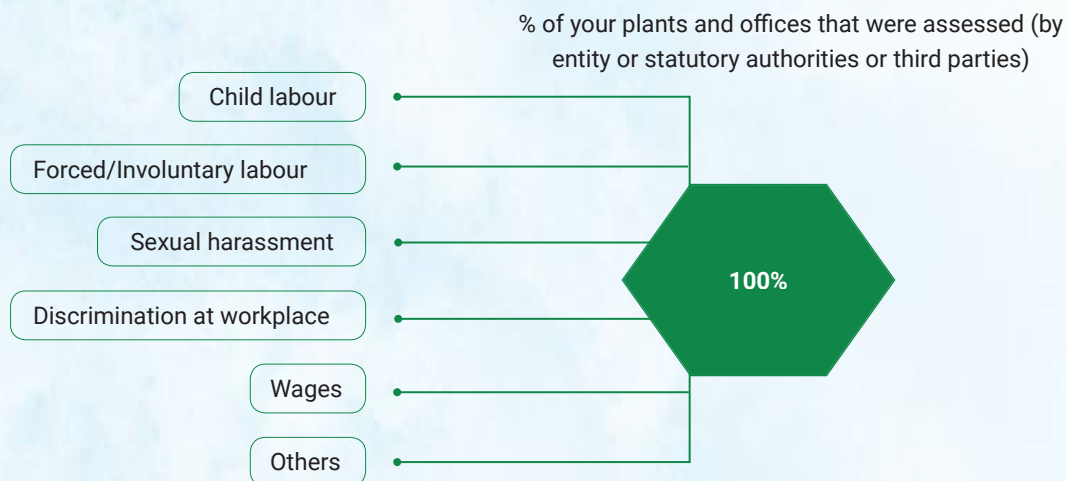
In order to ensure a safe and inclusive work environment, the Company has formalised a Prevention of Sexual Harassment Policy. This includes a strict zero tolerance approach to any form of harassment at the workplace. As part of the policy, Internal Complaints Committee (ICC) has been instituted for redressal of sexual harassment complaint made by the victim and for ensuring time bound treatment of such complaints.

We also have a Whistleblower Policy in place to protect the complainant. The policy outlines the necessary safeguards to allow protected and confidential disclosures.

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

Yes

## 9. Assessment for the year:



**Note** - Internal & Statutory auditors conduct quarterly assessments. Government authorities (PF, ESI, and Central Inspection Coordination Group) conduct annual assessments.

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

Not applicable

## LEADERSHIP INDICATORS

### 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

In 2022-23, we have not modified any business process as a result of addressing human rights grievances/complaints.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

No human rights due diligence was conducted in the reporting year.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements or the Rights of Persons with Disabilities Act, 2016?**

Yes, our premises are designed to provide unhindered accessibility to differently abled persons.

**4. Details on assessment of value chain partners**

Not applicable

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

Not applicable











## PRINCIPLE → 6 Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS

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

Parameter	2022-23	2021-22
 Total electricity consumption (A)	9,87,419.36 GJ	9,34,656.39 GJ
 Total fuel consumption (B)	86,15,250.87 GJ	83,84,938.93 GJ
 Energy consumption through other sources (C) - Steam	32,76,547.18 GJ	47,50,473 GJ
 Total energy consumption (A+B+C)	1,28,79,217.41 GJ	1,40,70,068.32 GJ
 Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	96.54 GJ/ ₹ million	135.50 GJ/ ₹ million
 Energy intensity (Total energy consumption/metric tonnes of production)	3.53 GJ/Metric tonnes of production	4.33 GJ/Metric tonnes of production

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

Yes, PPL has conducted Mandatory Energy Audit as a compliance under BEE PAT Cycle -2 in the month of September-2021 through M/s Green Flame Private Limited (Accredited Energy Audit Agency).

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

Yes, ammonia/urea facility identified as designated Consumer (DC) under PAT.

In PAT Cycle-1, energy saving targets were achieved.

In PAT Cycle-2, we are entitled to purchase 1926 no of ESCerts which are purchased from the Energy Exchange Platform.

In PAT Cycle-3 targets are not assigned to fertiliser industries (Urea units).

However, as part of the energy saving programme, we are implementing energy saving projects in two phases: the first phase will be implemented in 2023-24 and second phase will be implemented in 2024-25.



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

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface (Municipality, lakes, rivers) water	10,139,745	10,540,352
(ii) Ground water	-	-
(iii) Third party water	-	-
(iv) Sea water/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	10,139,745	10,540,352
Total volume of water consumption (in kilolitres)	10,139,745	10,540,352
Water intensity per rupee of turnover (Water consumed/turnover in Million rupees)	76.01	101.51
Water intensity per rupee of turnover (Water consumed/metric tonne of product)	2.78	3.24

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

**No, we have not carried out any independent assessment by an external agency.**

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

Yes, we have established Zero Liquid Discharge mechanisms, achieved by a closed-loop water cycle and various recycling routes. To treat wastewater, both manufacturing plants have ETP and STP installed. Treated wastewater is re-used to reduce freshwater use. Installation of a reverse osmosis (RO) plant to treat Cooling Tower Blow-down streams lowered freshwater use even further. The permeate is re-used as cooling tower make-up, while the discarded is utilised as process water at our manufacturing facilities.

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

Parameter	Unit	2022-23	2021-22
NOx	MT	438.75	380.95
SOx	MT	1,259.93	1,137.78
Particulate matter (PM)	MT	483.484	427.635
Persistent organic pollutants (POP)	MT	NA	NA
Volatile organic compounds (VOC)	MT	NA	NA
Hazardous air pollutants (HAP)	MT	NA	NA
Others	MT	11.56	7.83

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

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

Parameter	Unit	2022-23	2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>2</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> eq.	4,45,229.22	4,25,708.92
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> eq.	41,786.97	22,744.25
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Metric tonnes of CO <sub>2</sub> eq./₹ Million rupees	3.65	4.32
<b>Total Scope 1 and Scope 2 emission intensity</b> (per Metric tonne of production)	Metric tonnes of CO <sub>2</sub> eq./ Metric tonnes of production	0.21	0.34

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- **No**

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

Paradeep Phosphates is committed to continuously improving energy efficiency and reducing the carbon footprint of our operations.

We have undertaken various projects for reducing GHG emissions:

- Installation of captive solar plant
- Installation of waste heat recovery system for steam and electricity generation
- Installation of energy-efficient motors
- Replacement of conventional luminaires with LED luminaires

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

Parameter	2022-23	2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	5,783.21	5,086.23
<b>E-waste (B)</b>	7.221	6.786
Bio-medical waste (C)	0.812	0.898
Construction and demolition waste (D)	-	-
Battery waste (E)	2.06	3.37
Radioactive waste (F)	NA	NA
Other Hazardous waste(G)- Used oil, Spent resin, Surplus muck, Spent catalyst, Sludge etc.	3,510.74	3,360.06

Parameter	2022-23	2021-22
Other Non-hazardous waste generated (H)- Metal waste, waste sand, waste carbon etc.	15,13,099.7	15,05,773.21
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>15,22,403.74</b>	<b>15,14,230.55</b>
<b>Waste generated per rupee of turnover (Waste generated in MT / turnover in Million rupees)</b>	<b>11.41</b>	<b>14.58</b>
<b>Waste generated per rupee of turnover (Waste generated in MT / production in MT)</b>	<b>0.42</b>	<b>0.47</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Hazardous Waste</b>		
(I) Recycled	42	6.91
(ii) Re-used	3,316.10	3,261
(iii) Other recovery operations	0	0
<b>Total</b>	<b>3,358.10</b>	<b>3,267.91</b>
<b>Non-Hazardous waste</b>		
(I) Recycled	0	0
(ii) Re-used	36,790.20	30,350.70
(iii) Other recovery operations	0	0
<b>Total</b>	<b>36,790.20</b>	<b>30,350.70</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Hazardous waste</b>		
(i) Incineration	2.97	0
(ii) Landfilling	100.5	50.75
(iii) Other disposal operations Disposed through authorised recyclers/users	49.17	48.01
<b>Total</b>	<b>152.64</b>	<b>98.76</b>
<b>Non-Hazardous Waste</b>		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations- Disposed through authorised recyclers and users	14,78,660.34	14,75,544
<b>Total</b>	<b>14,78,660.34</b>	<b>14,75,544</b>

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

M/s SIMA LABS Private Limited, New Delhi





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

Our approach to waste management is guided by the 4R principle of 'Reduce, Reuse, Recycle and Recover' for management of waste in a compliant and ecologically responsible manner. Across our operations, efforts are made to maximise the reuse of waste. Waste that cannot be reused is disposed of in line with regulatory requirements and statutory guidelines. Simultaneously, the Company is constantly working to reduce the generation of hazardous and non-hazardous waste at its manufacturing facilities.

- Sulphur muck – Sulphur muck generated from production of sulphuric acid is being used as filler in manufacturing of fertilisers. However, molten sulphur from IOCL is used to reduce generation of sulphur muck.
- ETP Sludge – ETP sludge is used as filler in the manufacturing of fertilisers. However, efforts are continued to reduce the effluent to ETP as well as reduction of ETP sludge.

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

We do not operate in ecologically sensitive areas.

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

We have not undertaken any environmental impact assessment in 2022-23.

**12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliance, in the following format:**

Yes, PPL is compliant with respect to the applicable environmental laws/ regulations/ guidelines in India such as: The Water (Prevention & Control of Pollution) Act, 1974; The Air (Prevention & Control of Pollution) Act, 1981; Noise Pollution (Regulations and Control) Rules 2000; Hazardous and other Wastes (Management and Trans-boundary Movement) Rules 2018; E-Waste (Management) Rules, 2016; Plastic Waste Management Rules, 2016; The Environment (Protection) Rules, 1986.

There have been no instances of non-compliance during the year.

## LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	2022-23	2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	908.16 GJ	995.42 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>908.16 GJ</b>	<b>995.42 GJ</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	211,877.60 GJ	115,322.97 GJ
Total fuel consumption (E)	86,15,250.87 GJ	83,84,938.93 GJ
Energy consumption through other sources (F) -Waste Heat Recovery	40,51,180.78 GJ	55,68,811 GJ
<b>Total energy consumed from non-renewable sources</b>	<b>1,28,78,309.25 GJ</b>	<b>1,40,69,072.90 GJ</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

2. Provide the following details related to water discharged:

Parameter	2022-23	2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment- through ETP/STP	4,204	3,921
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatments	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment	-	-



Parameter	2022-23	2021-22
(v) Others	-	-
- No treatment	-	-
- With treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>4,204</b>	<b>3,921</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. **-No**

### 3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

We do not operate in any water-stressed areas.

### 4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

We are presently in the process of accounting our Scope 3 emissions and results will be published in our ESG report for 2022-23.

### 5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

### 6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiative, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Collective action taken, if any
Captive Solar Plant	We have installed a 255kW captive solar power plant at Paradeep manufacturing facility to increase the share of renewable energy in our energy mix.	Reduction in GHG emissions	Not applicable
Molten Sulphur (Steam saving)	We have collaborated with IOCL to procure sulphur in molten state instead of solid state. This eliminates the need of converting solid sulphur to molten sulphur at site	Reduction in GHG emissions: 41 tCO <sub>2</sub> e annually	Not applicable
Waste Heat Recovery	We have installed a waste heat recovery system at Paradeep facility in sulphuric acid plants. On a daily basis, the waste heat recovery system generates power equivalent to 245 MW	Reduction in GHG emissions: 225,191 tCO <sub>2</sub> e annually	Not applicable



**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, we have an onsite emergency plan which outlines SOPs in case of various identified disasters to maintain business continuity and ensure personnel safety.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No adverse impact on the environment was observed in the reporting year.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA

**PRINCIPLE → 7** Businesses when engaged in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

#### ESSENTIAL INDICATORS

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

We are associated with eight trade bodies/ associations

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

Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
CII	National
Assocham	National
FAI	National
FICCI	National
Indian Chamber of Commerce	National
IFA	International
Green Triangle Society	State
Goa Management Association	State

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

Not Applicable.

#### LEADERSHIP INDICATORS

##### 1. Details of public policy positions advocated by the entity:

Not Applicable.



**PRINCIPLE → 8 Businesses should promote inclusive growth and equitable development**
**ESSENTIAL INDICATORS**
**1. Details of Social Impact Assessment (SIA) of projects undertaken by the entity based on applicable laws.**

Not Applicable.

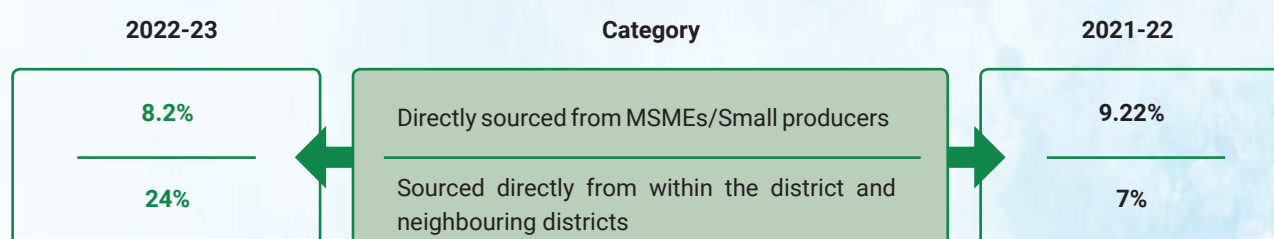
The Company does not have a mandatory requirement of conduct SIA on its projects.

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

Not Applicable.

**3. Describe the mechanism to receive and redress grievances of the community.**

We engage with the community through our NGO partners and in-person meetings. We hold special events to interact with farmers and suppliers to engage with them and redress their grievances.

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

**LEADERSHIP INDICATORS**
**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessment (Reference: Question 1 of Essential Indicators above)**

The Company is in process of conducting Social Impact assessments in 2023-24 on a voluntary basis.



## 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

The Company is in process of conducting CSR programmes in aspirational districts from FY24 onwards. The required information will be disclosed from next year onwards.

## 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No) (b) From which marginalised/vulnerable groups do you procure? (c) What percentage of total procurement (by value) does it constitute?

The Company presently does not have a preferential procurement policy. The required information is presently not available.

## 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity, based on traditional knowledge:

Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Patents	No	No	NA
Trademark	Owned (Jai Kisaan and Navratna)	No	NA
Copyrights	No	No	NA

## 5. Details of corrective actions taken underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable.

## 6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons % benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Livelihood And Skill Development	3,794	348
HealthCare and WaSH	39,932	747
Education	9,430	105
Rural Infrastructure Development	1,580	105
Women Empowerment	2,952	440

**PRINCIPLE → 9 Businesses should engage with and provide value to their consumers in a responsible manner**
**ESSENTIAL INDICATORS**
**1. Describe the mechanism in place to receive and respond to consumer complaints and feedback.**

The Company provides customer feedback contact details on all its fertiliser packs. Customers can reach out through phone numbers (06722-229400/600 for Paradeep and 0832-2592673 for Goa) or via email (customerareppl@adventz.com and customercare@adventz.com). Dedicated compliance officers at the Paradeep and Goa sites are responsible for addressing these queries promptly.

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

Environmental and social parameters relevant to the product	100% of the Company's bags carry EPR Registration number
Safe and responsible usage	PPL's teams across all its marketing territories organise farmer meetings regularly to apprise them about soil health awareness and balanced use of fertilisers
Recycling and/or safe disposal	During these meetings, the farmers are also apprised about safe disposal of fertiliser bags after use

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

Customer feedback regarding fertiliser quality/availability, received through the e-mail IDs: customerareppl@adventz.com and customercare@adventz.com, is addressed by respective regional teams.

To raise any concern regarding I.T./cybersecurity, an individual can do so by sending an email to dpmohanty@adventz.com

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

PPL deals in fertilisers for improving soil fertility. By nature, fertilisers are non-hazardous and there are no safety issues involved in their handling. Also, as fertilisers do not have any expiry date, recall is not required.

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

Yes.

The Company ensures highest standards of data privacy and cybersecurity as detailed in its Information Security Management System (ISMS) policy. Also, the Company's Information Management System is ISO 27001:2013 certified and provides for a strong system of checks and balances to protect sensitive information. To raise any concern regarding I.T./cybersecurity an individual can do so by sending an email on [dpmohanty@adventz.com](mailto:dpmohanty@adventz.com)

It also has a publicly available privacy policy that provides information to how personal information is collected, processed and protected.

Link to the Company's Privacy policy:

<https://www.paradeepphosphates.com/privacy-policy#:~:text=PPL%20does%20not%20capture%20any,details%20about%20PPL%20%26%20its%20services.>

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

So far as the product advertising is concerned, the declarations in product communication are based on nutrient content as per FCO (fertiliser control order) guidelines and product benefits. There have been no instances of issues related to advertising.

**LEADERSHIP INDICATORS**

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information on products and services can be accessed at the Company's weblink:

<https://www.paradeepphosphates.com/brands-and-products>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

During farmer meetings, they are apprised about soil health and balanced use of fertilisers for better yield.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

PPL's marketing teams and channel partners try to maintain the availability of key fertilisers throughout the year, particularly during the main seasons – Kharif and rabi as fertilisers are part of essential commodities. Even during the Covid-19 pandemic, the regular supply of fertilisers was ensured, supported well by the Department of Fertilisers, Govt of India.



4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

All the declarations on the Company's packaging are based on the Fertiliser Control Order and Legal Metrology guidelines.

5. Provide the following information relating to data breaches:

- Number of instances of data breaches along with impact - None
- Percentage of data breaches involving personally identifiable information of customers - Zero (0 %)



## MANAGEMENT DISCUSSION AND ANALYSIS

### Global Economy

Despite the significant challenges (especially inflationary) faced by the global economy in the aftermath of the Covid-19 pandemic and the Russia-Ukraine conflict, there are positive signs of progress. Most central banks implemented a synchronised and substantial tightening of monetary policy. Such a move helped in reducing the inflationary pressures exacerbated by the war. This was evident through the cooldown of prices across energy, food and commodity and diminishing supply shortages, which had escalated earlier. Although food prices have not fully returned to normal levels, they have declined since their peak in early CY 2022. Moreover, dislocations in energy and food markets caused by the conflict are gradually dissipating, providing hope for a brighter economic outlook. In addition, supply chain disruptions have started normalising with the opening up of China's economy.

While advanced economies experienced a growth rate of 2.7% in 2022, Emerging Markets and Developing Economies registered a growth of 4%. Moving forward as the economies come out of the disruptions there is a need for multilateral cooperation to help defuse geopolitical tensions and respond to the challenges of an interconnected world. It will help in safeguarding the functioning of global financial markets, manage debt distress, foster global trade and reinforce the multilateral trading system. This will ensure food and energy security, advance the green and digital transitions, and improve resilience to future pandemics.

### Indian Economy

According to the International Monetary Fund (IMF), India is expected to maintain its position as a favourable contributor to the global economic expansion. Despite global uncertainties, India's economy has shown greater resilience, with high-frequency economic indicators such as GST collections, E-way bill generation, services PMI, and retail credit growth, pointing towards the healthy consumption demand. The RBI's recurring interest rates hikes since May 2022 to bring inflation under control have further supported the economy in its recovery. However, in April 2023, the central bank paused the rate hikes to assess the impact of the previous hikes.

Riding on this positivity, the economy has grown by 7% in 2022-23. The Government's decision to ease Covid-induced restrictions has resulted in an increase in both manufacturing and financial activities. This eventually helped bolster consumer confidence, resulting in increased private consumption. Additionally, the Government's thrust on becoming a global manufacturing hub is evident through its increased focus on manufacturing schemes. Its

'Make in is now focussing on 27 sectors, which include 15 manufacturing and 12 service sectors, including furniture, agri-products, textiles, robotics, televisions, and aluminium. As a result of these initiatives, India is reaping the benefits of new partnerships with other countries as they seek to secure their supply chains by establishing manufacturing plants in India.

Such initiatives are also visible in India's agriculture as the Economic Survey 2022-23 points out that the Indian agriculture sector has been growing at an average annual growth rate of 4.6% during the last six years. This period of buoyant performance could be attributed to the measures taken by the Government to promote farmer-producer organisations, encourage crop diversification, and improve productivity in agriculture through support provided for mechanisation. Furthermore, the creation of the Agriculture Infrastructure Fund is a remarkable initiative that is helping to unlock the growth potential of Indian agriculture. These initiatives resulted in total food grain production recording around 3,235.54 Lakhs tonnes in 2022-23, which is higher by 79.38 Lakhs tonnes as compared to the previous year 2021-22.

### Outlook

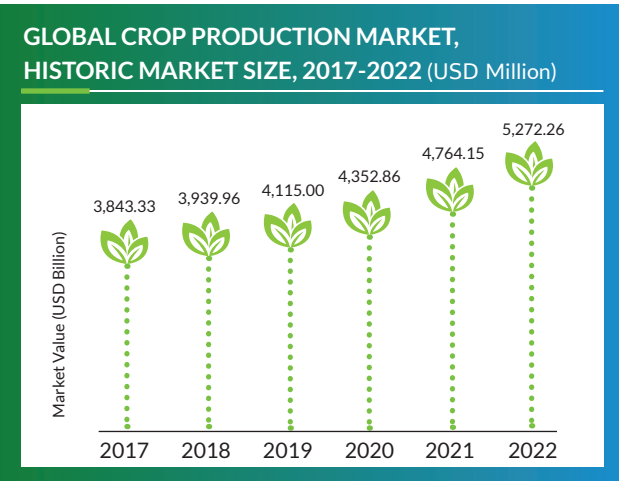
India's economy is expected to continue its upward trajectory in 2023, with a projected growth rate of 6.5% and an inflation rate of 5.2% as per RBI. Structural reforms and policies aimed at promoting investment and productivity, along with an expanding and youthful workforce, provide India with strong prospects for sustained growth, positioning it well to become a leading economy in the coming years. The Government's focus on fostering entrepreneurship and innovation, combined with a thriving start-up ecosystem and a growing digital economy, further drives growth and creates new opportunities. The Government's increased spending on infrastructure projects, including initiatives, such as Product Linked Incentive Scheme and PM Gati Shakti, has helped boost economic activity, with further acceleration expected in the future. Overall, India's economy appears to have a bright future in 2023 and beyond.

### World Agriculture Overview

The global crop production market was worth USD 5,272.20 Billion in 2022. The global crop production market grew from USD 3843.33 Billion in 2017 to USD 3,843.33 Billion in 2022, registering a compound annual growth rate (CAGR) of 6.53%.

The demand for food is influenced by a number of factors, including population growth, demographic changes, income growth, income distribution, and food prices. It is projected

Management Discussion and Analysis (Contd.)



The Business Research Company  
Sources: Market Data Sources, TRBC Estimates, TRBC Analysis

that the world population will increase from 8 Billion in 2022 to 8.5 Billion in 2030, driving up the demand for food. Low and middle-income countries are expected to lead this surge as they are characterised by high population growth rates.

In contrast, high-income countries are expected to experience slower population growth and a saturation in the per capita consumption of some food groups. The continuous increase in energy and agricultural input prices, such as fertilisers, may raise cost of agricultural production and constrain productivity and output growth in the coming years. Despite these challenges, world demand for agricultural commodities, including for non-food uses, is projected to rise. Moving ahead, governments are also implementing policies to support agriculture, including subsidies and infrastructure development. However, natural disasters, economic conditions, and political developments could impact the growth rate.

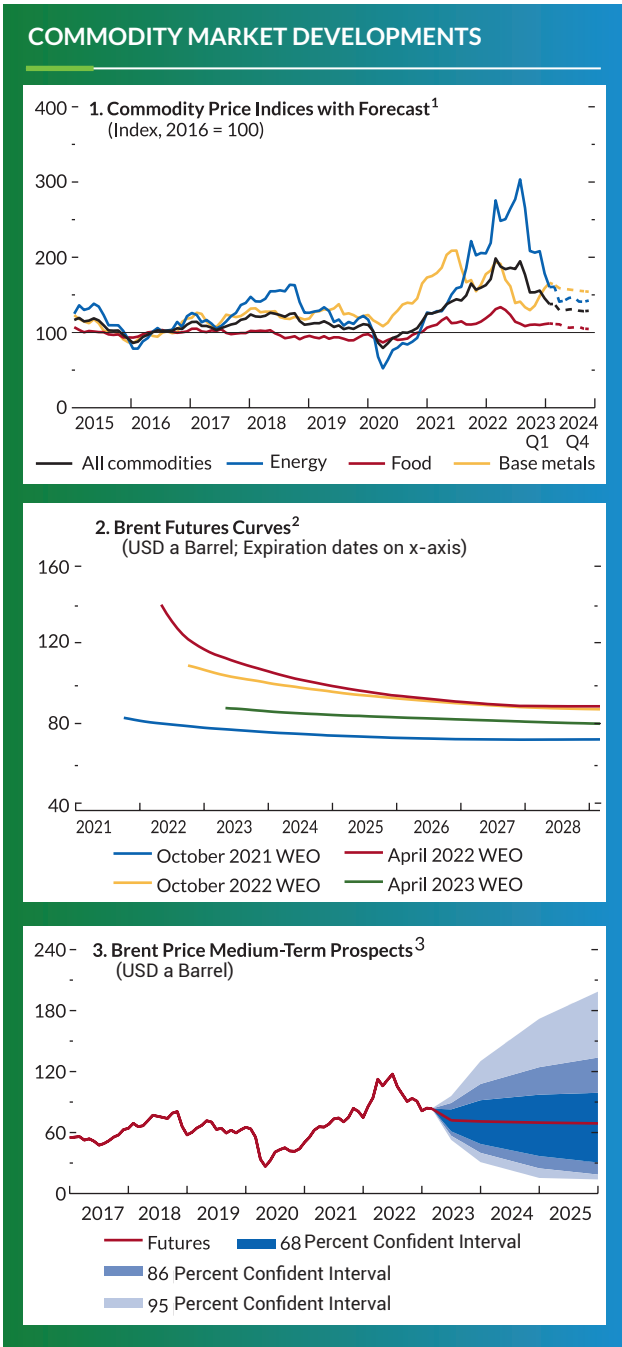
(Source: Report on Global Crop Production Market Briefing 2023 Including: Vegetable Farming; Grain Farming; Fruit And Nut Farming; Oilseed Farming; Greenhouse, Nursery, And Flowers; General Crop Farming.)

Commodity Prices

Crude Oil

According to the World Economic Outlook published by the IMF, crude oil prices retreated by 15.7% between August 2022 and February 2023 as the slowing global economy weakened demand.

In 2022, China experienced its first annual decline in oil consumption as a result of Covid-19 shutdowns and a weakening real estate market, which raised concerns about demand. Meanwhile, uncertainty surrounding Western sanctions on Russian crude oil exports affected global



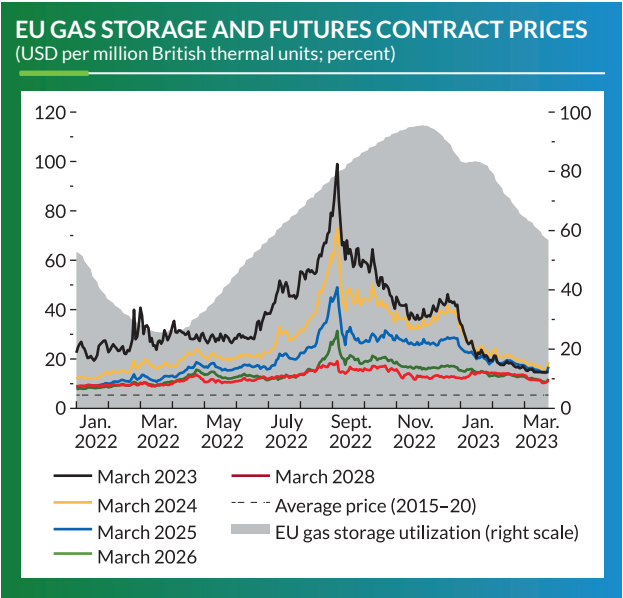
Sources: Bloomberg Finance L.P.; IMF, Primary Commodity Price System; Kpler; Refinitiv Datastream; and IMF staff calculations.  
Note: WEO = World Economic Outlook.  
<sup>1</sup>Adjusted for inflation using the US consumer price index (CPI). Last actual value is applied to the forecast period. Dashed lines are the forecasts from 2023:Q1 to 2024:Q4.  
<sup>2</sup>WEO futures prices are baseline assumptions for each WEO and derived from futures prices. Prices in the April 2023 WEO are based on the March 17, 2023 closing.  
<sup>3</sup>Derived from prices of futures options on March 17, 2023.

market balances. However, Russian oil exports remained stable by redirecting oil to non-sanctioned countries such as India and China at discounted prices. The release of strategic petroleum reserves and the implementation of



# MANAGEMENT DISCUSSION AND ANALYSIS

reduced production targets by OPEC+ supported sufficient oil supply. Futures markets predict a significant 24.1% decrease in crude oil prices for 2023 and anticipate further declines in the subsequent years. However, price uncertainty persists due to factors such as China’s economic rebound and the ongoing energy transition. Upside price risks include potential supply disruptions and insufficient investment,



Sources: Argus Direct; Bloomberg L.P.; Gas Infrastructure Europe (GIE); and IMF staff calculations.  
 Note: European Union country coverage by the GIE definition. Dates in legend are Dutch Title Transfer Facility (TTF) futures contracts expiration date.

while downside risks relate to the possibility of a global economic relapse.

## Phosphate

The phosphate market in 2022 saw significant fluctuations, starting with phosphoric acid prices reaching an all-time high of over USD 1,700 per metric tonne (MT) in the first half of year 2022-23. Prices started to normalise in the latter half of the year, ending lower than the initial point. This upward trend was driven by concerns surrounding grain and fertiliser exports from Russia and Ukraine. The market faced additional challenges when China implemented export suspensions until June 2022, aiming to secure sufficient domestic supply. As a result, Chinese fertiliser exports experienced a sharp decline in 2022 due to trade barriers imposed by the government.

(Source: <https://investingnews.com/agriculture-forecast/>)

## Muriate of Potash

Muriate of Potash (MOP) prices fluctuated significantly, reaching a peak of USD 562 per metric tonne in

March 2022. Canada remained the top potash producer with 14 Million metric tonnes, while Russia and Belarus produced a combined 17 Million metric tonne. Potash demand weakened due to high prices, limiting the advantage for Canadian producers. Belarus experienced a decline of over 50% in potash exports due to transit restrictions via EU territory.

(Source: <https://investingnews.com/agriculture-forecast/>)

## Agricultural Prices

During January 2023 to April 2023, food inflation was experienced by numerous low- and middle-income countries, with inflation greater than 5% in 70.6% of low-income countries, 81.4% of lower-middle-income countries, and 84.0% of upper-middle-income countries. Additionally, a considerable number of these nations faced double-digit inflation in their food prices. High income countries too faced elevated food price inflation as 80.4% of them experienced it. The most-affected countries are in Africa, North America, Latin America, South Asia, Europe, and Central Asia.

When comparing food price inflation to overall inflation, as measured by the year-on-year change in the Consumer Price Index (CPI), it is evident that food prices rose at a faster pace. This trend held true in 84.5% of the 161 countries analysed, indicating that food price inflation outpaced general inflation.

With estimates from International Research Institute for Climate and Society in May 2023, suggesting an 82% likelihood of El Niño conditions from May 2023 to July 2023, could further drive-up prices of agriculture.

(Source: [https://www.worldbank.org/en/topic/agriculture/brief/food-security-update?intcid=ecr\\_hp\\_BeltA\\_en\\_ext](https://www.worldbank.org/en/topic/agriculture/brief/food-security-update?intcid=ecr_hp_BeltA_en_ext))

## Global Fertiliser Prices

The fertiliser price index of the World Bank experienced a decrease of almost 8% in the third quarter of 2022, when compared to the previous quarter. However, the prices still remain high in historical terms, mainly due to the reduction in supplies following Russia-Ukraine conflict. The price normalisation is happening due re-starting of production facilities around the world leading to a healthier supply of raw materials. The index is expected to decrease further by 12% in 2023, as supply disruptions gradually ease after a projected increase of 66% in 2022. But there are some risks to this outlook, including higher input costs, additional sanctions on Belarus and Russia, and extended export restrictions by China.

The prices of nitrogen (urea) decreased by 20% in the third quarter of 2022, after reaching an all-time high in April. This was mainly due to the reassessment of fertiliser

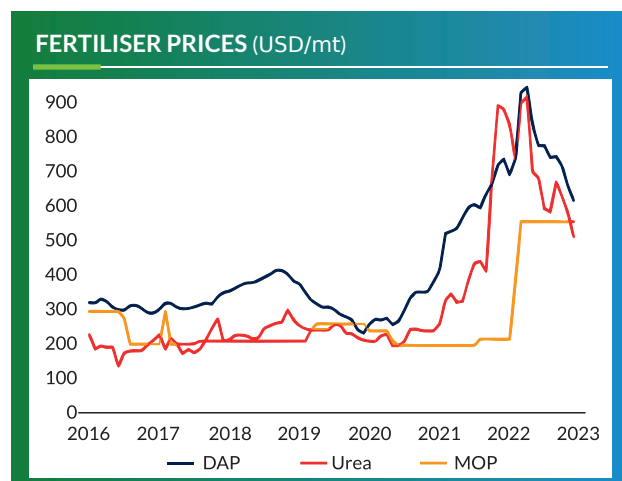
## Management Discussion and Analysis (Contd.)

affordability by buyers, amid record-high natural gas prices in Europe. The steep increase in input costs, especially that of ammonia, and rising production costs have reduced European nitrogen production capacity by at least half. Also, China extended export restrictions on urea fertilisers until the end of 2022, resulting in a 60% year-on-year decrease in its urea exports during the first eight months of 2022. Nevertheless, a significant increase in new capacity is expected outside Europe and Russia within the next two years, which will eventually restore global supplies. Some fertiliser plants were commissioned earlier this year in countries like Brunei and Nigeria but have yet to reach full capacity. Furthermore, six new plants in India, each with a capacity of 1.3 Million metric tonne (mmt), are anticipated to commence operations between 2023 and 2025.

The decrease in urea prices is expected to be 10% in 2023, and a further 8% in 2024 as new capacity comes online.

DAP (diammonium phosphate) prices decreased by 11% in the third quarter of 2022, after recording large gains earlier in the year. Some countries have also experienced strong phosphate demand, including Brazil and India, which could begin to weigh on global demand. Furthermore, export restrictions by China, which account for 30% of global trade in DAP, have had a material effect on supply. Owing to the restrictions, China's DAP exports fell 50% year-on-year, during the first ten months of 2022. Following an expected increase of 32% in 2022, DAP prices are projected to fall modestly in 2023 and 2024.

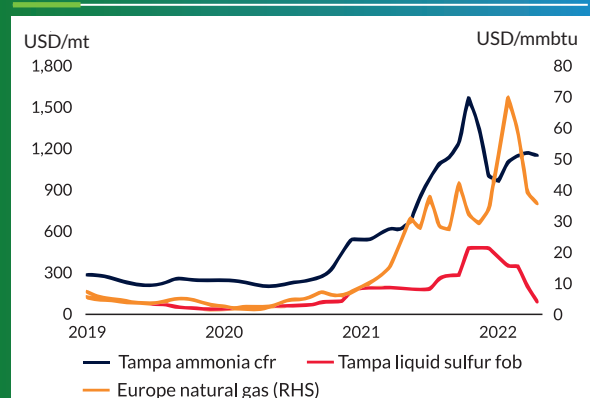
MOP (muriate of potash, or potassium chloride) contract benchmark prices remained unchanged in the third quarter of 2022, following a large jump in contract prices between



Note: DAP=diammonium phosphate. MOP=muriate of potash. mt= metric tonne. Last observation is December 2022.

Source: Bloomberg; World Bank.

### FERTILIZER INPUT COSTS



Note: cfr = cost and freight; fob = free on board. Last observation is November 2022.

Source: Bloomberg; World Bank.

producers and Chinese and Indian buyers in February same year. However, spot prices retreated from their April highs due to lacklustre demand, mainly in North America. The market remains tight due to reduced supply from Belarus and Russia, which account for about two-fifths of global potash exports, as a result of sanctions related to the war in Ukraine. Belarusian fertiliser exports are blocked from global markets, whereas exports from Russian ports have been limited due to logistical issues, even though the Russian fertiliser industry has not been subject to sanctions. Potash prices are predicted to remain high in 2023 and 2024. This follows an estimated increase of 150% in 2022, as MOP production is highly concentrated in a few countries, including Belarus, Canada, China, Israel, and Russia. As per estimate, these countries account for 85% of global production, and supplies from smaller markets are not likely to make up for the shortfall in the short-term.

(Source: <https://blogs.worldbank.org/opendata/fertiliser-prices-ease-affordability-and-availability-issues-linger>)

### Countering Global Fertiliser Crisis

China implemented a second round of quotas in July 2022, limiting phosphate exports to 3.16 Million tonnes. This round imposed a lower limit compared to the first round in October 2021, which restricted exports to 5.5 Million tonnes. The decision was made in response to soaring prices of raw materials and the need to address high fertiliser prices caused by factors like strong overseas demand, low domestic production, high energy costs, and the impact of floods in Henan province. Albeit, China was able to export DAP and urea to buyers like India and Pakistan in 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

In May 2022, India entered into a Memorandum of Understanding (MOU) with the Jordan Phosphate Mining Company (JPMC) to secure the supply of essential fertilisers for the year 2022. The agreement includes the delivery of 30 LMT of rock phosphate, 2.50 LMT of DAP, and 1 LMT of phosphoric acid. Furthermore, India has also signed a long-term MOU with Jordan, spanning five years, for the annual supply of 2.75 LMT of MoP. The agreement includes a uniform increase in supply every year, which will reach up to 3.25 LMT by the end of the agreement.

In January 2023, OCP, the Moroccan producer of phosphates and fertilisers, entered into an agreement to supply India with 1.7 Million tonnes of phosphate-based fertilisers during the year. As per the terms of the deal, OCP is set to provide India with 700,000 tonnes of triple super phosphate (TSP), a nitrogen-free fertiliser, along with 1 Million tonnes of diammonium phosphate (DAP). Notably, Morocco, which boasts the world's largest reserves of phosphates, recorded a significant increase of 54.8% in exports of the mineral and its derivatives, including fertilisers, amounting to 108 Billion dirhams (USD 10.6 Billion) in the first 11 months of 2022.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1826017>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1881518>, <https://www.reuters.com/article/us-china-exports-fertilisers-idUSKBN2F007W>, <https://www.reuters.com/markets/commodities/morocco-plans-sell-india-17-Million-tonnes-fertilisers-2023-2023-01-22/>)

### Indian Agriculture

India's agriculture sector has made remarkable progress in recent years, with the country achieving record-high production of several crops, including rice, wheat, maize, pulses, mustard, sugarcane, and oilseeds. This achievement has been made possible with contributions from top crop-producing states, including Uttar Pradesh, Punjab, West Bengal, Gujarat, Haryana, Madhya Pradesh, Assam, Andhra Pradesh, Karnataka, and Chhattisgarh. India is the largest producer of spices, pulses, milk, tea, cashew, and jute, and the second-largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton, and oilseeds, with over 50% of the population depending on agriculture for their livelihood.

Financial support from the Government in the form of subsidies has played a critical role in promoting the growth of the agriculture sector. The amount of subsidies has seen a remarkable increase from the pre-pandemic year of 2019-20 when it totalled USD 10 Billion, to an impressive USD 27 Billion in 2022-23.

In addition, India's agriculture exports have witnessed significant growth, reaching a record-high of USD 50.2 Billion in 2021-22. This growth highlights India's potential as a major player in the global agriculture market and contributes to the country's overall economic development. Moreover, the sector is projected to grow by 3.5% in 2022-23, reflecting India's commitment to sustainable agricultural practices and modernisation of the sector.

Overall, India's impressive achievements in the field of agriculture are a testament to its capacity to emerge as a significant force in this sector. This can contribute to the country's economic growth and development, while also helping to address global food security challenges.

### Government Initiative (Budget Highlights)

The agriculture sector is of utmost importance to India's food security, as it accounts for 15% of the country's GDP, with 50% of the population engaged in agricultural activities. The Government has implemented initiatives to boost agriculture in India. The Union Budget 2023-24 has increased funding for agriculture, with the Ministry of Agriculture and Farmers Welfare receiving ₹ 1.25 Lakh Crores for various schemes.

The Government has taken the following initiatives for the agricultural sector:

- The Digital Agriculture Mission, initiated by the Central Government, will be provided with ₹ 450 Crores
- About ₹ 600 Crores will be allotted for promoting the agriculture sector through technology
- The Pradhan Mantri Garib Kalyan Yojana will be extended for another year. This scheme was originally introduced to provide free rations to 80 Crores people during the Covid-19 pandemic
- The budgetary allocation for the development of the horticulture sector has been increased to ₹ 2,200 Crores
- The Union Government has increased the budget to ₹ 1,623 Crores to address food and nutritional security
- An allocation of ₹ 459 Crores has been made to promote 'Natural Farming', which aims to support 1 Crore farmers in the next 3 years and establish 10,000 bio-input research centres across India
- The Agriculture Accelerator Fund has been formulated with an allocation of ₹ 500 Crores over 5 years to promote agri-startups led by young entrepreneurs
- 'Aatmanirbhar Krishi' and 'Aatmanirbhar Bharat' initiatives are meant to ensure the food and nutritional security of the nation, under which nano urea has been developed indigenously





## Management Discussion and Analysis (Contd.)

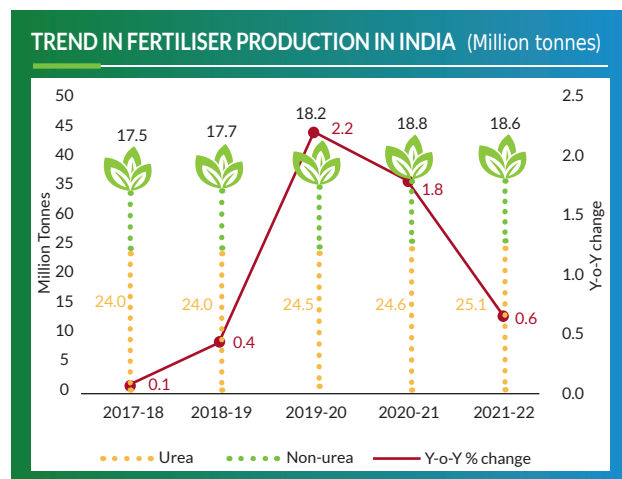
- The PM-KISAN scheme is set to receive an allocation of ₹ 60,000 Crores for 2023-24
- 'Sahkar se Samridhhi' and 'Atmanirbhar Bharat' aim to increase farmers' income and provide them with a better future, thus benefitting the agriculture sector greatly

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1814057>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1881518>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1895533>, <https://pib.gov.in/PressReleasePage.aspx?PRID=1851374>)

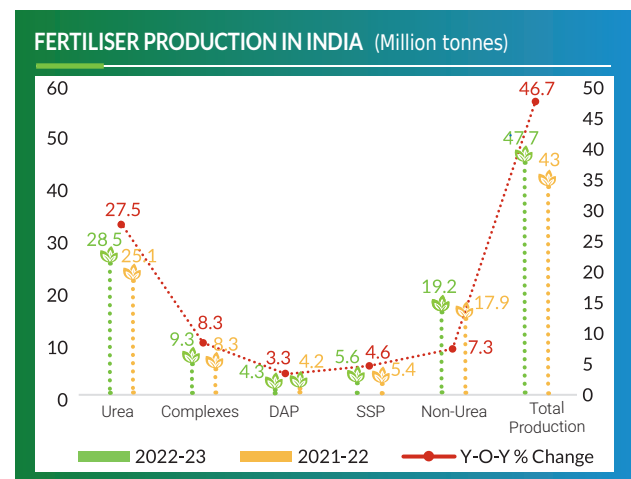
### Indian Fertiliser Market

The fertiliser sector is a crucial component of India's agrarian economy. Globally, India is the third-largest producer and second-largest consumer of fertilisers. During the six-year period 2017-18 to 2021-22, fertilisers output in India increased at a CAGR of 4.13% from 41.5 Million metric tonne (mmt) in 2017-18 to 47.7 Million tonnes in 2022-23. With a rapidly growing population and increasing food demand, the use of fertilisers is imperative to boost crop productivity per hectare. This is especially crucial, given the shrinking availability of arable land due to swift urbanisation.

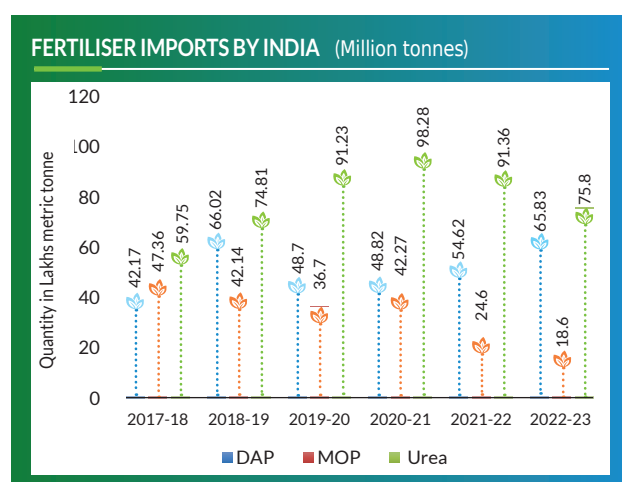
### India's Total Fertiliser Production



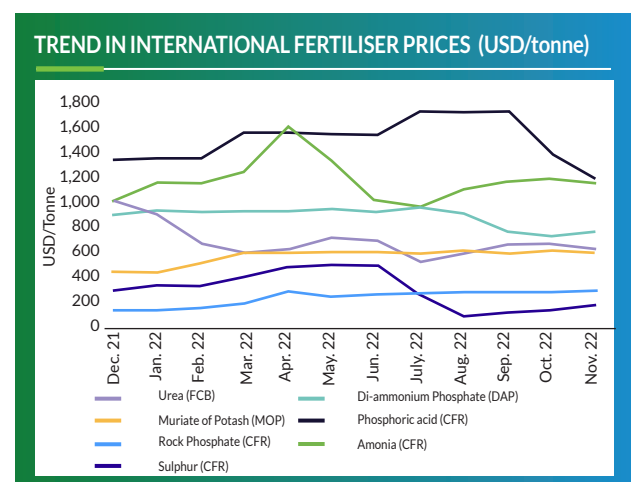
Source: CMIE, CSO.



Source: CMIE, CSO.



Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1810907>



Source: CMIE.



# MANAGEMENT DISCUSSION AND ANALYSIS

To tackle the challenges of low productivity and quality of agricultural output, the Indian Government has provided subsidies, aimed at incentivising farmers to increase consumption of fertilisers. The fertiliser industry in India has great potential for growth, as historical data has shown strong momentum in fertiliser consumption. Moreover, the disparities in fertiliser usage among different states in India present an excellent opportunity to address this gap, and further increase fertiliser usage, leading to even greater growth and success for the industry.

## Fertiliser Imports by India

India's imports of fertilisers during year 2022-23 was led by urea with 75.8 Lakhs metric tonne. Followed by DAP at 65.83 Lakhs metric tonne and MOP at 18.6 Lakhs metric tonne. Urea imports over the years have increased, while peaking in the year 2019-20 after which they have been subsiding. Imports of DAP have been range bound between 42.17 Lakhs metric tonne to 66.02 Lakhs metric tonne. While the imports of MOP have witnessed a decline over the years.

## Import Prices of Raw Materials and DAP for India

The 2022-23 period witnessed a significant surge in international fertiliser and raw material prices. This growth in prices can be attributed to supply disruptions and logistical challenges. Phosphoric acid recorded an average price of USD 1,415 per tonne, indicating a growth rate of 16.3%. Ammonia, on the other hand, was priced at USD 1,160.3 per tonne, exhibiting a substantial growth rate of 64.6%. DAP (CFR) experienced a minor growth of 0.32% with a price of USD 741 per tonne, while urea saw a decrease of 8.75% with a price of USD 646.67 per tonne. MOP (CFR) witnessed a remarkable growth rate of 110.71%, priced at USD 590 per tonne. Sulphur, however, faced a decline of 40.8% with a price of USD 152.67 per tonne. Rock phosphate (CFR) showed strong growth of 107.6% with a price of USD 299 per tonne. Overall, international prices experienced a growth ranging from 20% to 120% during this period.

Due to India's heavy reliance on fertiliser imports to meet its needs, domestic fertiliser prices are closely linked to global prices. Consequently, to prevent farmers from bearing the brunt of price hikes and to avoid disruption in agricultural production, the Government offers subsidies on fertilisers to farmers through manufacturers. The fertiliser sector is also being impacted by the surge in natural gas prices caused by the Russia-Ukraine crisis, as natural gas is a critical raw material for the sector.

(Source: Care Edge Research India - Fertiliser Industry Update)

## Company Overview

Paradeep Phosphates Limited (referred to as 'Paradeep Phosphates' or 'PPL' or 'The Company') is the second-largest privately-owned phosphatic company in India, boasting a robust capacity of 3 Million Metric Tons per annum for producing finished fertilisers such as NPK, DAP, and urea. Originally established as a joint venture between the Government of India and the Republic of Nauru, the Company later became a public sector enterprise in 1993. In 2002, the Government of India divested close to 80% of its stake in PPL in favour of Zuari Maroc Phosphates Private Limited. In May 2022, PPL completed its initial public offering (IPO) in which the Government of India divested its residual stake of 19.55% and the Company used part of the proceeds to acquire the 1.2 Million MT fertiliser plant in Goa. Post IPO, Zuari Maroc Phosphates Private Limited holds a 56.10% stake in PPL.

Paradeep Phosphates has its manufacturing units in Paradeep, Odisha, and Zuarinagar, Goa that are strategically located near the ports and cater to the heavier phosphatic fertiliser consuming states of India. With its cutting-edge technology and world-class infrastructure, the Company is committed to deliver high-quality fertilisers that help farmers achieve optimal yields and enhance agricultural productivity. PPL sources its raw materials globally and sells finished fertilisers under the brand names 'Jai Kisaan' and 'Navratna' to over 8 Million farmers across 15 states in India.

## Performance Highlights in 2022-23

	March 23	March 22
Production (Million metric tonne)	2,032,516	1,247,178
Revenue from Operations (₹ Million)	133,407	78,587
PBT (₹ Million)	4,257	5,344
PAT (₹ Million)	3,037	3,978

The revenue from operations in 2022-23 were ₹ 133,407 Million showcasing a jump of 69.76% from the year 2021-22. The total output of fertiliser in 2022-23 was 2,032,516 Million metric tonne showcasing a jump of 63% as compared to the previous year.

The Profit Before Tax in 2022-23 was reduced by 20.34% to ₹ 4,257 Million as compared to the previous year. The Profit After Tax too reduced by 23.66% as compared to the previous to ₹ 3,037 Million. This reduction was primarily due to changes in subsidy rates in fourth quarter of the year 2022-23.

In terms of the product mix, DAP comprised approximately 33.93% of the manufactured portfolio of PPL in 2022-23.



## Management Discussion and Analysis (Contd.)

Production in '000 MT	2022-23	2021-22
DAP	675	722
N-20	595	380
Other fertilizers	763	145
Total Fertilisers	2,033	1,247

## Analysis of Financial Performance

The analysis in this section relates to the consolidated financial results of the year ended 31<sup>st</sup> March 2023. The financial statements of Paradeep Phosphates and its joint venture are prepared as per the Indian Accounting Standards (referred to as 'Ind AS'), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

## Revenue

(In Crores)	2022-23	2021-22	% Change
Operating Revenue	13,340.72	7,858.72	69.76
Other Income	91.07	39.27	131.91
Total Revenue	13,431.79	7,897.99	70.07

## Revenue from Manufactured Products and Traded Products

(In Crores)	2022-23	2021-22	% Change
Manufactured Products	12,642.72	6,591.87	91.79
Traded Products	698.00	1,266.85	(44.90)
Operating Revenue	13,340.72	7,858.72	69.76

## Other Income

(In Crores)	2022-23	2021-22	% Change
Other Income	91.07	39.27	131.91

Other income went up on account of the reversal of excess provision written back.

## Cost of Materials

(In Crores)	2022-23	2021-22	% Change
Cost of Material Consumed	10,439.70	5,246.22	98.99
Purchase of Stock in Trade	182.26	1,428.28	(87.24)
Changes in Inventories	(8.78)	(393.24)	(97.77)
Total Materials	10,613.18	6,281.26	68.97
Operating Revenue	13,340.72	7,858.72	69.76
Cost of Materials/ Operating Revenue	79.55%	79.93%	

## Employee Benefits

(In Crores)	2022-23	2021-22	% Change
Employee Benefits	213.20	138.51	53.92
% of Total Revenue	1.59%	1.75%	

## Finance Costs

(In Crores)	2022-23	2021-22	% Change
Finance Costs	291.24	85.54	240.47
% of Revenue	2.17%	1.08%	

## Depreciation and Amortisation

(In Crores)	2022-23	2021-22	% Change
Depreciation and Amortisation	175.15	90.46	93.62
% of Revenue	1.30%	1.15%	

## Other Expenses

(In Crores)	2022-23	2021-22	% Change
Other Expenses	1,713.35	767.84	123.14
% of Revenue	12.76%	9.72%	

## Income Tax

(In Crores)	2022-23	2021-22	% Change
Income Tax	121.98	136.54	(10.66)
Profit Before Tax	425.66	534.38	(20.34)
Tax as % of Profit Before Tax	28.66 %	25.55%	



## MANAGEMENT DISCUSSION AND ANALYSIS

### Key Financial Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	% Change
Current Ratio (in Times)	Total Current Assets	Total Current Liabilities	1.10	1.02	8%
Debt-Equity Ratio (in Times)	Total Borrowings	Total Equity	1.32	1.33	0%
Debt Service Coverage Ratio (in Times) (Note A)	Earning for Debt Service = Profit for the Year + Interest Expenses + Depreciation and Amortisation Expenses + Other Non-Cash Adjustments	Debt Service = Interest + Principal Repayments	1.24	2.79	(56)%
Return on Equity Ratio (In %) (Note B)	Profit for the Year	Average Total Equity	10.60%	19.63%	(46%)
Inventory Turnover Ratio (in Times)	Revenue from Operations	Average Inventory	5.89	4.92	20%
Trade Receivables Turnover Ratio (In Times) (Note C)	Revenue from Operations	Average Trade Receivables	5.68	7.35	(23%)
Trade Payables Turnover Ratio (In Times)	Purchase of Raw Materials and Traded Goods	Average Trade Payables	5.16	4.77	8%
Net Capital Turnover Ratio (In Times) (Note C)	Revenue from Operations	Average Working Capital (i.e. Total Current Assets Less Total Current Liabilities)	37.88	24.20	56%
Net Profit Ratio (In %) (Note D)	Profit for the Year	Revenue from Operations	2.28%	5.07%	(55%)
Return on Capital Employed (In %) (Note E)	Profit Before Tax and Finance Costs	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities	8.70%	11.76%	(26%)
Return on Investment (In %)	Income Generated from Invested Funds	Average Investments	2.04%	2.00%	2%

### Notes:

- The % change is primarily on account of increase in debt to be serviced during the year.
- The % change is primarily on account of lower profits earned during the year coupled with increase in average equity.
- The % change is primarily on account of increase in turnover coupled with better working capital management.
- The % change is primarily on account of lower profits earned as against higher revenue during the year.
- The % change is primarily on account of lower profits earned against higher capital employed during the year.



## Management Discussion and Analysis (Contd.)

### Outlook

Fertilisers have been a crucial factor in the success of India's green revolution and subsequent self-sufficiency in food-grain production. The increased use of fertilisers has made a significant contribution to sustainable food-grain production in the country.

The agriculture sector has been a bright spot for the Indian economy, and the demand for fertilisers is expected to remain strong due to higher Minimum Support Prices (MSP) for kharif and rabi crops in the marketing season of 2022-23. Furthermore, the continued upfront subsidy support for fertilisers, including urea and nutrient-based subsidies, worth ₹ 1.75 Lakh Crores for the year 2023-24, is likely to boost the fertilisers industry and the agriculture sector. In addition, it is also set to take care of the surge in input commodity prices.

Moreover, the continuation of the Nutrient-Based Subsidy (NBS) amounting to ₹ 51,875 Crores for the rabi season of 2022 (from October 01, 2022 to March 31, 2023) was aimed to sustain the momentum of the fertilisers industry and agriculture sector, while protecting farmers from the cost burden of input commodities. The direct payment of MSP to farmers are expected to enhance their credit availability, leading to increased fertiliser demand, and encourage the use of complex and organic fertilisers.

With the capacity expansion to 3 MMTPA and the backward brownfield integration undertaken to expand the capacity of phosphoric and sulphuric acids, PPL foresees the benefits of operating at a large scale. The Company looks to leverage growth by expanding the product portfolio, penetrating new markets, and deepening the existing markets.

### Opportunities

The non-urea fertiliser sector in India presents promising growth prospects, driven by the imbalanced use of urea (Nitrogen) among farmers, resulting in disruptions to the soil's NPK balance. The ideal NPK mix for optimal soil health and crop growth is 4:2:1, whereas the current ratio in

2019-20 was 6.6:2.7:1.0. Through Government initiatives to enhance awareness about soil fertility and promote the use of fertiliser mixtures, the NPK mix is expected to improve to 5.8:2.6:1.0 by 2025-26. This creates a favourable opportunity for non-urea fertilisers to capitalise on this trend. With its strategic positioning, Paradeep Phosphates is well-equipped to leverage the increasing adoption of phosphatic fertilisers.

### Threats

The non-urea fertiliser sector in India has been encountering several challenges. Firstly, there is a lack of awareness among farmers regarding the benefits of non-urea fertilisers, which impedes their adoption rate. In addition, fluctuations in the prices of raw materials used in the production of non-urea fertilisers can affect their profitability. Moreover, the sector is heavily regulated by the Government, and any changes in regulations can impact its growth and viability. The depreciation of the Rupee may also increase the import bill of fertiliser manufacturers, further adding to their costs. The fertiliser sector still relies on subsidies from the Government, and any delay in their disbursement can affect the manufacturers. Hence, addressing these challenges is crucial to sustain the growth and contribution of the non-urea fertiliser sector to the agriculture industry in India.

### Risk and Mitigations

While the products of PPL provide numerous benefits to various industries, handling, storing, and transporting these chemicals can pose several risks. These risks need to be identified and mitigated to ensure the safety of its workers, the public, and the environment. In this context, it is essential to develop a comprehensive risk management plan, which outlines potential hazards and their respective mitigation strategies. This will help to minimise the risk of accidents and ensure the safe and responsible use of the Company's products. The following sections discuss some of the potential risks associated with Paradeep Phosphate and their corresponding mitigation strategies.



## MANAGEMENT DISCUSSION AND ANALYSIS

Sl No	Risks	Description of the Risk	Risk Probability (High/Medium/Low)	Risk Impact (High/Medium/Low)	Risk Mitigation
1.	<b>Strategic Risks</b>				
	Business Model	The business model encompasses the entire value chain of a company and how it manages and generates value for each of its stakeholders.	High	High	PPL's integrated business model includes backward integration, R&D for diversified products, strategic plant locations, and strong partnerships with channels and farms for better value chain control.
	Macro-Economic	Factors, such as global and local demand and supply, inflationary trends, a country's economic growth, and per capita income can impact business operations.	Medium/Low	High/Medium	PPL's agile management processes enable it to adjust strategies and operations, based on macro-economic conditions, including both financial and operational aspects, whether favourable or unfavourable.
	Policy/Regulatory	Government policies on agriculture and subsidies for agri-inputs can impact business operations.	High/Medium	Medium/Low	PPL closely monitors the regulatory environment, applicable to the industry and maintains financial and operational flexibility to minimise the impact of unfavourable regulatory policies.
	Market Competition	Risk-related to competition from peer group companies.	High/Medium	High/Medium	PPL mitigates this risk by leveraging its position as a leading fertiliser manufacturer, ranked second in phosphatic product production in the country. Its 'Jai Kisaan' and 'Navratna' brands have strong brand equity among farmers, Jai Kissan Navratna dealers, and retailers.
2.	<b>Climate &amp; Climate Change Risks</b>				
	Monsoon and Climate Change	Changing weather patterns can hurt agri-input sales.	Medium	High	PPL mitigates this risk by expanding its network in 15 states. Thus, reducing the impact of climatic risk with exposure to different conditions.
3.	<b>Financial Risks</b>				
	Interest Rate Risk	Rising interest rates can limit borrowing options and affect profit margins.	Medium/Low	High	PPL mitigates this risk through lowering costs by paying off long-term debts and maintaining a healthy debt-to-equity ratio.
	Credit Risk		High/Medium	High	PPL assesses creditworthiness, sets limits, monitors collections, manages subsidies, and has an internal system for managing LCs.
	Liquidity Risk		High/Medium	High	PPL maintains a healthy revenue growth and cash flow to mitigate this risk.
4.	<b>Operational Risk</b>				
	Location Risk	Limited locations for production, distribution, and sourcing pose a risk.	Medium/Low	High	PPL acquired Goa plant, expanded its production capabilities to two units, and reduced location risk.



## Management Discussion and Analysis (Contd.)

### Human Resource

- **Diversity Drive:** The Company is dedicated to fostering an inclusive culture, empowering individuals, and enhancing competitiveness. The Board Diversity Policy and unbiased hiring practices bolster this dedication.
- **Nurturing Human Capital:** Lifelong learning nurtures growth, supported by comprehensive training, education grants, and self-learning opportunities that drive continuous advancement.
- **Performance Excellence:** A robust scorecard system fuels exceptional performance and personal growth, cultivating careers for all employees.
- **Employee Well-being:** Beyond mandates, the Company offers comprehensive benefits, safeguarding employees' health and happiness. Various clubs at the Plant, including PPERC, PPOC, and others, enhance engagement through indoor games, swimming, and movies, fostering team-building.
- **Safety Culture:** Vigilant safety committees, regular training (with an average of 28.67% training hours per employee for the year 2022-23), and a safety-focused culture prioritise team well-being.
- **Sustained Growth:** Continuous growth is driven by efficiency and safety. A motivated workforce, achieved through effective recruitment, retention, and training, plays a pivotal role. Diverse engagement programs and harmonious operations support relations. Regular reviews maintain industry alignment, leading to prestigious awards. As of March 31, 2023, there are 2,486 permanent employees and workers.

### Internal Control Systems and their Adequacy

Paradeep Phosphates has implemented an internal control system that is reliable, efficient, and critical to the Company's success. The Company relies on its internal control system

to review its numerous segments and sales operations. The system is crucial in maintaining internal audit controls, which include observing various operations, protecting assets, and complying with regulations. The yearly internal audit covers important areas of business operations identified by a team of experts. Each area is reviewed by internal auditors, the Audit Committee and the Board. The Audit Committee considers the inputs from the internal auditors and gives advice on ways to enhance the internal controls.

### Cautionary Statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements, which involve a number of underlying identified/non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like Covid-19 may pose an unforeseen, unprecedented, unascertainable, and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs, or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

For and on behalf of the Board of Directors,

**Saroj Kumar Poddar**

Chairman

Date: 17<sup>th</sup> May 2023

DIN: 00008654



## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting the Forth first Annual Report of Paradeep Phosphates Limited ("Company") together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March 2023.

### 1. FINANCIAL HIGHLIGHTS

Particulars	(₹ in Crores)	
	2022-23	2021-22
Total income	13,431.79	7,897.99
Finance Costs	291.24	85.54
Depreciation	175.15	90.46
Profit before tax	425.66	534.38
Tax expense	121.97	136.54
Profit after tax	303.69	397.84
Other Comprehensive Income	0.69	(0.46)
Total Comprehensive Income	304.38	397.38
Earnings Per Share (Basic & Diluted) ₹	3.89	6.91

### 2. CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY

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

### 3. REVIEW OF OPERATIONS

During the financial year, on a standalone basis, the Company recorded operating revenue of ₹ 13,340.72 Crores which is 69.76% higher compared to the revenue for the previous financial year.

The profit before tax for the year ended 31<sup>st</sup> March 2023 was ₹ 425.66 Crores as compared to ₹ 534.38 Crores for the year ended 31<sup>st</sup> March 2022. Net Profit was ₹ 303.69 Crores for the year ended 31<sup>st</sup> March 2023 compared to earlier year's ₹ 397.84 Crores. Total Comprehensive Income stood at ₹ 304.38 Crores for the year ended 31<sup>st</sup> March 2023 compared to ₹ 397.38 Crores for the previous year.

During the financial year your company has added significant capacities through organic as well as inorganic route. This includes completion of revamp of four granulation trains at Paradeep site resulting in a daily average production run-rate of 5000 MT December 2022 onwards, thereby meeting the revamp targets and also completion of the acquisition of the Goa plant which has in turn added 1.2 Million MT to our overall capacity

### 4. Capital Project

#### At Paradeep Plant

- Installation of new Ship unloader at PPL Jetty, Paradeep which is ease for operation and maintenance, environment friendly as dust free and provide for fast unloading. The Erection of the installation started in January 2023 and expected to complete by end of May 2023.
- The Company Completed one of its prestigious expansion project - revamp of the four granulation (DAP/NPK) trains (A, B, C & D) at its Paradeep Unit with object to improve production throughput, improve product quality, and reduce emissions.

Following successful commissioning, production from each train is ramped-up to the optimal level and, following the revamp, daily production volumes combining all four trains exceed 5000 MTPD on a consistent basis, with a product mix of DAP & NP20. Company recorded the highest daily and monthly production volumes during the month of December 22 as a result of production ramp-up, and is preparing to achieve new highs of 150,000 MT monthly & 1.8 Million MT annual production volumes in the next few months and years.

As a result of the revamp, granulometry (between 2 and 4 mm, an average of 90%) as well as the environmental standards (ammonia emissions of 50 mg/NM3 and fluorine emissions of 5 mg/ NM3) have both been improved. As a result of improved product quality following the revamp, Company's brand image will be further enhanced on the market. Company's top and bottom lines will increase significantly in the coming years due to the addition of 25% production volume resulting from an increase in production rate through revamp

- The setting up of a new Phosphoric acid Plant was awarded to M/s Thyssenkrupp Industrial Solution India Private Limited/ Prayon (Belgium) to increase our Phosphoric acid annual production by 120,000 MT. The Expected commissioning by July' 23. Further the installation of 4th Evaporator of capacity 350 TPD is under pre-commissioning which will increase annual production of strong Phosphoric acid by 116,000 MT.



- To support the above project with LP steam, power and sulphuric acid the Company is in process of setting up of up of 1500 TPD Sulphuric acid plant along with a 23 MW power plant. The Company has obtained the environment Clearances for project and expected completion by 2025.

#### At Goa Plant

- In order to comply with the revised energy norms set forth in NUP-2015 Policy notified by Department of Fertilizers, Government of India, the Company had conceptualised an Energy Savings Project (ESP) with target Specific Energy Consumption of Urea at 6.1 GCal/MT.

Accordingly, the services of M/s CASALE were engaged to carry out the Process Design Package (PDP) for the ESP schemes and their integration. The PDP package has been developed to bring down the Urea Energy to 6.1 GCal/MT.

The retrofit of the Ammonia Converter and installation of the downstream Synthesis Loop Boiler (Phase I) shall be executed in Nov-Dec 2023 and will bring the Urea Energy to 6.4 GCal/MT. The balance interventions (Phase II) as per the PDP shall be executed in May 2025.

In order to further bring down the Urea energy, a new Gas Turbine based Cogeneration plant has been conceptualised to replace the existing Steam Turbine based Cogeneration plant. This will help bring down the Urea Energy to 5.8 GCal/MT. This modification shall be executed in May 2025 along with Ammonia plant Phase II modification proposed by Casale in the PDP.

- In addition, a new 5000MT Atmospheric Ammonia Storage tank is proposed to be installed in the plant which would in time, replace the existing Horton Spheres in the plant.
- A new 350 MTPD Sulphuric Acid plant is being conceptualised which would enable PPL – Goa Unit to produce high NPS grades (such as 20-20-0-13) as well as provide Power and thereby reduce the dependency on the Power Grid. We would also be able to cater to Sulphuric Acid requirements in the nearby markets.
- The existing material storage facilities are being augmented to facilitate larger storage for Phosphoric Acid, Potash and filler material. This will help in obtaining larger parcel of imports as well as provide adequate buffer for continuous production.

- As a part of ESG, Solar power shall be generated from the roof-top of the Administration building as well as from a floating Solar power plant over the dam water reservoir located near the factory. The floating power plant will also help reduce the evaporation losses.
- Other infrastructure like renovation of the administration building, a new factory Gate and new Colony for employees is being conceptualised.

#### 5. TRANSFER TO RESERVES

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

#### 6. DIVIDEND

Your Board of Directors have recommended dividend of Rupee 0.50 per equity share of face value of ₹ 10 each, for the Financial Year 2022-23. The dividend distribution policy is available on the website of the company i.e. <https://www.paradeepphosphates.com/investors/corporate-governance#policies>

#### 7. SHARE CAPITAL

##### Authorised Capital

The authorised share capital of the Company as on 31<sup>st</sup> March 2023 was ₹ 10,000,000,000 (Rupees one thousand crores) divided into ₹ 9,000,000,000 (Rupees nine hundred crores) consisting of 900,000,000 (ninety crores) equity shares of face value of ₹ 10 each, and ₹ 1,000,000,000 (Rupees hundred crores) consisting of 10,000,000 (one crore) 7% non-cumulative redeemable preference shares of face value of ₹ 100 each”

#### 8. INITIAL PUBLIC OFFER (IPO) OF EQUITY SHARES

The Equity Shares of your Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) with effect from 27<sup>th</sup> May 2022, pursuant to Initial Public Offering (“IPO”) of the Company by way of a Fresh Issue and an Offer for Sale.

#### 9. SAFETY, HEALTH, ENVIRONMENT

The Company continues its environment and safety initiatives and has successfully implemented internationally recognised Environment & Safety Standards and is an ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, Protect & Sustain certified organisation and NABL accreditation ISO/IEC 17025:2017 from The National Board for Testing & Calibration Laboratories





The Company is commitment to protect environment as a corporate objective by implementing the new initiatives continuously. It includes mechanised auto wheel wash system, IP Surveillance camera covering all Stacks & plant and connected to RT-DAS server of OSPCB as a new initiative in addition to continuous Ambient Air Quality Monitoring Stations, Continuous emission Monitoring System for Sulphuric acid, Phosphoric acid & DAP/NPK Plant's Stack and Continuous effluent monitoring system connected to RT-DAS server of OSPCB /CPCB..

The Company is conscious of the importance of environmentally clean and safe operations to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible. Generation of green power from waste heat of Sulphuring acid plant leading to Zero fuel consumption, Installation of 255 KW Solar power in township, Zero Effluent Discharge maintained during the non-monsoon at Paradeep plant.

The Company has initiated the projects towards circular economy, this system ensures that waste is utilised in an environment friendly manner. New technologies and initiatives are also explored to manage the waste more effectively. It includes development of Zyprite and setting up manufacturing facility at PPL unit, use of NPG in road construction in consultation with of CPCB & CRRI which is approved by Indian Road Congress (IRC). The Company has tied with IMMT, Bhubaneswar for conversion of Phospho Gypsum in to alkaline material by mixing banana peduncle biomass in powder form to utilise in soil conditioning. The Company has tied with CSIR-National Environmental Engineering Research Institute (CSIR-NEERI), Nagpur to carry out Comprehensive study on Management of Solid Wastes and Wastewater at Goa unit. Trainings are also imparted to the employees on the importance of waste management and encouraged them to adopt practices that reduce waste generation.

The Company puts continuous efforts towards creating a positive impact on our premises & surroundings to maintain the biodiversity. The vast green cover occupying more than 39 % of the total area and numerous water bodies make for a comfortable habitat for terrestrial and aquatic lives. Migratory Birds are arriving every year in the PPL premises, more than thirty thousand with fifty-nine variety of species. Dept. of Forest, Govt. of Odisha is conducting Birds census every year in the PPL premises. Further the Company's

Fertilizer Plant at Goa continues to be a 'Zero Effluent Discharge Plant' since 1990 and the man-made green belt around the Complex continues to flourish and attract a variety of birds and animals.

The Company has been putting all efforts for reduction in end-user Plastic waste and setting an example for other companies. The Company is closely working with GEM Enviro Management Private Limited which is a Waste Management Agency (WMA) that specializes in collection and aggregation of all kinds of packaging waste in a professional and organised manner backed by technology on PAN India basis.

The Company is working with GEM not just to fulfil our EPR (Extended Produced Responsibility) compliances under guidelines stipulated under PWM Rule 2016, amended 2018, but be the torchbearer when it comes to managing postconsumer plastic waste. Under our EPR Activity, the plant at Goa, in 2022-23 has diverted approximate 1440 tonnes of Post-Consumer Plastic Waste from landfills to recycling and thus contributing towards a greener and cleaner environment.

#### Health and Hygiene:

The Company accords high priority to health and hygiene monitoring at work place. Employees' health assessment and occupational disease monitoring is done through periodical medical check-up. A well-equipped hospital in the campus at Paradeep works round the clock to provide health services to the employees and their families. Necessary training is imparted to employees and workers to enhance their awareness towards healthrelated matters.

*The Company has initiated to make DEFIBRILLATION facility available at Health Centre at Goa Plant by procuring Automated External Defibrillator which can be used in the event of severe cardiac conditions like cardiac arrest, of whose incidences have been very high in recent time. This will be followed by extensive awareness/training across the industry.*

The Company continues to be certified for "Excellence Certification of Protect & Sustain" stewardship from International Fertilizer Association. The Company conducted various activities related to Safety, Health & Environment during National Safety Week, National Road Safety Month, World Environment Day, National Fire Service Day and Chemical Disaster Prevention Day.

The Company has initiated implementation of Process Safety Management so as to identify process related risks if any. Safety leadership training programme for

Senior leaders in goa Plant was conducted through British Safety Council to further strengthen and improve the safety culture. Executives from Paradeep plant participated three days' workshop on "Chemical Disaster Risk Management" Disaster Management Institute, Bhopal

"DIGITAL MASS COMMUNITY SAFETY AWARENESS" was conducted by Goa plant to generate safety awareness within general public on simple precautions to be taken in the event of ammonia gas emergency in various panchayat areas on giant LED screen with vehicle, during the Safety week celebration. Simple precautions to be taken in the event of ammonia gas emergency were played on FM channel to educate and create awareness. Two days training programme on Occupational Health & Safety, through the Inspectorate of Factories & Boilers, was conducted for the employees & workers

The Company Received Kalinga Safety Excellence Award-2022 and 13th "Exceed Award" 2022 on OSH under Platinum Category in recognition of exemplary efforts in maintaining best safety practices & culture. The Greentech International EHS Award- 2023 was received by the Company for outstanding achievement in Health & Safety

#### Industrial Relations

The Company undertakes a plethora of HR initiatives starting from talent acquisition, development and retention for longer period. The Company is declared as a Public Utility Service under the provisions of Industrial Dispute Act. The Employee Engagement Initiatives are customised to engage the employees in a positive and constructive way to get maximum satisfaction at the work place. QC/ Kaizen Team have been increased from 8 to 18 nos. as a part of Employee Engagement Initiative. Training calendar is designed to fill the identified Competency gaps of the employees. Skill gap is 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 their functional requirement. Succession planning and Leadership coaching are conducted for the high performers. Balance Score Card, the latest and best form of PMS, is adopted to appraise the performance of employees in effective and efficient manner.

The wage settlement of regular Staff category of employees has expired on 31<sup>st</sup> December 2021 and wage settlement of Contract labour has expired w.e.f. 31<sup>st</sup> March 2021 and consequent to the

Charter of Demand submitted by the representing contract workers unions, the concerned contractor establishment have submitted their counter COD to PPDMU & PPMU. In between, wage settlement for Bagging Contract workers is completed and the negotiation process for other areas are under progress.

PPL Hospital was declared as authorised Private Covid Vaccination Centre by the Govt. of Odisha and the facility for vaccination is still available at our Hospital for future needs.

### 10. ANNUAL RETURN

Annual Return referred to in Section 92(3) of the Companies Act, 2013 will be available on the website of the Company <https://www.paradeepphosphates.com/investors/corporate-governance#annual-returns>

### 11. a) BOARD MEETINGS

During the year, nine Board Meetings were held on 29<sup>th</sup> April 2022, 6<sup>th</sup> May 2022, 13<sup>th</sup> May 2022, 20<sup>th</sup> May 2022, 24<sup>th</sup> May 2022, 28<sup>th</sup> May 2022, 2<sup>nd</sup> August 2023, 4<sup>th</sup> November 2022 and 31<sup>st</sup> January 2023. The details of the composition of the Board and attendance of the Directors at the Board Meetings, are provided in the Corporate Governance Report attached as **Annexure - A**.

### b) AUDIT COMMITTEE

During the year under review, six Audit Committee Meetings were held on 28<sup>th</sup> May 2022, 26<sup>th</sup> July 2022, 2<sup>nd</sup> August 2022, 4<sup>th</sup> November 2022, 23<sup>rd</sup> January 2023 and 31<sup>st</sup> January 2023 and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report attached as **Annexure- A**.

### 12. DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable



and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 13. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as specified in Section 149(6) of the Act and shall abide by the Code for Independent Directors as specified in Schedule- IV of the Act.

### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company was having 8 directors as on 31<sup>st</sup> March 2023 with seven Non-Executive Directors including four independent directors and a Managing Director.

The shareholders of the Company by way of postal Ballot resolution appointed Mr. Subhrakant Panda as an Independent Director to hold office for a term of three (3) years from 31<sup>st</sup> January 2022 up to 30<sup>th</sup> January 2025, not be liable to retire by rotation.

Mr. Ujjwal Kumar ceased to be a Director of the Company with effect from 27<sup>th</sup> May, 2022 on cessation of nomination.

Mr. Marco Philippus Ardeshir Wadia ceased to be a Director of the Company with effect from 19<sup>th</sup> September 2022 on completion of his term as Independent Director of the Company.

The members of the Company on the recommendation of Board approved the reappointed Mr. N Suresh Krishnan as a Managing Director and and Key

Managerial Personnel of the Company for a period of 3 (Three) years with effect from 16<sup>th</sup> February 2023.

Mr. Bijoy Kumar Biswal has been re-appointed as Chief Financial Officer and Key Managerial Personnel w.e.f. 1<sup>st</sup> April 2023

There was no change in Company Secretary of the Company during the year under review.

Mr. Saroj Kumar Poddar is liable to retire by rotation at the ensuing Annual General Meeting of the Company.

In the opinion of the Board of Directors, all the Independent Directors possess requisite expertise and experience on the roles, rights and responsibilities of Independent Directors.

A certificate obtained by the Company from a company secretary in practice, confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority, is enclosed as **Annexure "D"** to this Report.

### 15. DIRECTORS TRAINING & FAMILIARIZATION

The Company, in compliance with Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulates programmes to familiarize new Independent Directors inducted on the Board with the Company. All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Senior management personnel of the Company presents to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc.,

The Statutory Auditors and Internal Auditors of the Company presents to the Board Members on Financial Statements and Internal Controls including presentation on regulatory changes from time to time.

During the year Independent Directors attended the programme which was scheduled on 24<sup>th</sup> March 2023. The Management made presentation to the Independent Directors on the industry overview and business operations, the overview of company's manufacturing facilities at Paradeep, Odisha and Goa.



## 16. PERFORMANCE EVALUATION

Pursuant to the provisions contained in Companies Act, 2013 and Schedule IV (Section 149(8) of the Companies Act, 2013, the following performance evaluations were carried out;

- Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;
- Performance evaluation of the Board, its committees and Independent Directors by the Board of Directors; and
- Performance evaluation of every Director by the Nomination and Remuneration Committee.

The evaluation process covered adequacy of the composition of the Board and its Committees, disclosure of information to the Board and Committees, performance of duties and obligations, governance parameters, participation of the members of the Board / Committees and fulfilment of independence criteria and maintaining independence from the management by the Independent Directors.

Based on the evaluation done by the Directors, the performance of the Board, its Committees and the Directors was satisfactory and the quality, quantity and timeliness of flow of information between the management and the Board was appreciable.

## 17. NOMINATION AND REMUNERATION POLICY AND DISCLOSURE ON REMUNERATION

Based on the recommendation of the Nomination and Remuneration Committee, the Board has approved the Nomination and Remuneration Policy. The Nomination and Remuneration Policy provides for constitution & role of Nomination and Remuneration Committee, guidelines on procedure for appointment / removal of Director, Key Managerial Personnel or at Senior Management level, recommendation for remuneration, compensation and commission to be paid to the Managing Director / Whole time Director / Non – Executive Directors and carrying out evaluation of performance of every Director and Key managerial personnel.

The Nomination and Remuneration Policy is placed on the website of the Company <https://www.paradeepphosphates.com/investors/corporate-governance#policies>.

The disclosure related to the employees under Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure 'H'** to this Report.

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, shall form part of this report. However, in terms of Section 136 of the Companies Act, 2013, this report is being sent to all the members of the Company excluding the aforesaid information. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Corporate Office of your Company.

## 18. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

"Zuari Yoma Agri Solutions Limited", Myanmar continued as a 50:50 joint venture with Yoma Strategic Holdings Limited. Statement containing salient features of the financial statement of the joint venture under Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure-I**.

## 19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 of the Act and Companies CSR (Policy) Rules, 2014, your Company has constituted a CSR Committee of the Board. Based on the recommendation of the Committee, the Board has formulated a CSR Policy for the Company indicating the CSR activities, modalities of execution, implementation schedule, and amount of expenditure and monitor the Policy from time to time. A detailed Report on CSR activities undertaken by the Company during the year, containing the information in the prescribed format, is annexed hereto as **Annexure- G** and forms part of this Report.

## 20. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a vigil mechanism through Whistleblower Policy and the Audit Committee of the Company is responsible to review periodically the efficient and effective functioning of the vigil mechanism, to deal with instances of fraud and mismanagement and suspected violations of the Company's Code of Business Conduct and Ethics, if any.

The Whistleblower Policy provides for adequate safeguards against victimisation of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of

the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Whistleblower Policy is placed on the website of the Company i.e., [https://www. paradeepphosphates. com/investors/corporate-governance#policies](https://www.paradeepphosphates.com/investors/corporate-governance#policies).

## 21. RISK MANAGEMENT

The Company has the requisite processes and procedures in place to identify and assist in minimising exposure to risk that threaten the existence of the Company. The Board has put in place a risk management policy to monitor and review potential risks. The brief detail about this policy may be accessed on the Company's website at the weblink: <https://www.paradeepphosphates.com/investors/corporate-governance#policies>

The heads of departments regularly review and assess the departmental policies/procedures and identify risks, perform analysis of the frequency and severity of potential risks, select the best techniques to manage risk, implement appropriate risk management techniques and monitor, evaluate and document results.

## 22. LOANS, GUARANTEES OR INVESTMENTS

The details of loans given, Corporate guarantees and investments made by Company under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

## 23. UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder there is no unclaimed / unpaid amounts or shares were transferred to the Investor Education and Protection Fund (IEPF).

## 24. RELATED PARTY TRANSACTIONS

Transactions entered by the Company with its related parties were on an arm's length basis and/or ordinary course of business. Suitable disclosures as required under Ind AS-24 have been made in Note No. 33 to the Financial Statements. The Company had not entered into any arrangement/ transaction with related parties which is material in nature as per the Companies Act, 2013 and accordingly the disclosure of Related Party Transactions in Form AOC-2 is not applicable.

## 25. DEPOSITS

The Company has not accepted any deposits in the past or during the year.

## 26. STATUTORY AUDIT

The Statutory Auditors, M/s. BSR & Co. LLP, Chartered Accountants, were re-appointed as Statutory Auditors of the Company at the 40th AGM held on 12th September 2022 to hold office till the conclusion of 45<sup>th</sup> Annual General Meeting of the Company.

## 27. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company re-appointed M/s. B. C Debata & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the year 2022-23. The Secretarial Audit report is annexed herewith as **Annexure - E**.

## 28. COST RECORDS & COST AUDIT

The Company is required to maintain cost records as per Section 148(1) of the Companies Act, 2013, and accordingly such accounts & records are made and maintained. The Company appointed M/s. S. S. Sonthalia & Co., Cost Accountants, as the Cost Auditor for the year 2022-23. The Cost Audit Report for the year ended 31<sup>st</sup> March 2022 was filed by the Company with the Ministry of Corporate Affairs on 8<sup>th</sup> August 2022.

## 29. AUDITORS' REPORT

There were no qualifications, reservations or adverse remarks made by the Statutory Auditor, Secretarial Auditor and Cost Auditor in their respective reports. No frauds have been reported by the Auditors during the year.

## 30. MATERIAL CHANGES & COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## 31. SIGNIFICANT & MATERIAL ORDERS

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

### 32. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has adequate systems of internal control in place, which is commensurate with its size and the nature of its operations. The Company has designed and put in place adequate Standard Operating Procedures and Limits of Authority Manuals for conduct of its business, including adherence to Company's policies, safeguarding its assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

These documents are reviewed and updated on an ongoing basis to improve the internal control systems and operational efficiency. The Company uses a state-of-the-art ERP (SAP) system to record data for accounting and managing information with adequate security procedure and controls.

### 33. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### 34. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013. The Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March 2023 forms part of the Annual Report.

### 35. EMPLOYEE STOCK OPTION SCHEME

Our Company has formulated an employee stock option scheme, namely, PPL Employees Stock Option Plan 2021, ("ESOP 2021"). ESOP 2021 was approved pursuant to a Board resolution and Shareholders' Resolution, each dated 10<sup>th</sup> August 2021, and amended pursuant to a Board resolution dated 29<sup>th</sup> April 2022.

In terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ('SEBI Regulations'), the Nomination & Remuneration Committee of Board, inter alia, administers and monitors the PPL Employee Stock Option Plan 2021 of your Company. A certificate from the Secretarial Auditor on the implementation of your Company's

Employees Stock Option Scheme will be placed at the ensuing Annual General Meeting for inspection by the Members. Further disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, read with SEBI circular dated 16<sup>th</sup> June 2015 for the financial year ended 31<sup>st</sup> March 2023 are available on website of the Company.

### 36. DISCLOSURE AS PER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and all the employees are covered under this Policy. Awareness programme on Legislations and remedies related to sexual harassment of women at workplace has been conducted. No sexual harassment complaint was received during the year. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under this Act.

### 37. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure F** attached to this report.

### 38. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application was made or any proceedings filed under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2022-23.

### 39. CORPORATE GOVERNANCE

The Company is committed to good corporate governance practices. The Board endeavors to adhere to the standards set out by the Securities and Exchange Board of India (SEBI) on corporate governance practices and accordingly has implemented all the mandatory stipulations.



A detailed Corporate Governance Report in line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the corporate governance practices followed by the Company which given as **Annexure - A** and the certificate from Practicing Company Secretary relating to compliance of mandatory requirements is given as **Annexure – B**. Declaration by the Managing Director is enclosed as **Annexure “C”**. A statement regarding opinion of the Board, with regard to integrity, expertise and experience (including proficiency) of the Independent Directors appointed during the year is given in Corporate Governance Report annexed as **Annexure A**. Management Discussion and Analysis report for the FY 2022-23, forms part of the Annual Report.

#### 40. BUSINESS RESPONSIBILITY REPORT

In pursuance of the provisions of the Listing regulations, the Business Responsibility and Sustainability Report for the Financial Year 2022-23, forms part of the Annual Report.

#### 41. GENERAL

No disclosure or reporting is made with respect to the following items, as there were no transactions during 2022-23:

- The issue of equity shares with differential rights as to dividend, voting or otherwise
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme except Employees’ Stock Options Schemes referred to in this Report;

- Managing Director and Chief Executive Officer has not received any remuneration or commission from any of its subsidiaries;
- There was no revision in the financial statements;
- The Company has not made any downstream investments during 2022-23 and hence certificate under FEMA is not required; a
- There was no material subsidiary during the 2022-23
- There were no one time settlement against any of the loan availed by the Company from the Banks or Financial Institutions during the Financial Year 2022-2023

#### 42. ACKNOWLEDGEMENT

Your Board of Directors take this opportunity to acknowledge the continued support and co-operation extended by the Shareholders. The Board wishes to place on record their appreciation of the continued support and cooperation extended by the Consortium of Bankers, East Coast Railway, Paradeep Port Trust, Government Departments both at the Centre and the States, Suppliers, Dealers and above all, Farmers. The Board also wishes to place on record their deep appreciation of the excellent services rendered by the Employees at all levels during the year.

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

**Saroj Kumar Poddar**

Chairman

DIN: 00008654

Date: 17<sup>th</sup> May 2023



# ANNEXURE- A TO THE BOARD'S REPORT

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

The philosophy of the Company on Corporate Governance is aimed at safeguarding and adding value to the interests of various stakeholders and envisages attainment of the highest levels of transparency and accountability in all areas of its operations and interactions with its stakeholders.

### 2. BOARD OF DIRECTORS

The Board of Directors with an optimum combination of Executive, Non-Executive and Independent Directors meets at regular intervals.

During the year, nine Board Meetings were held on 24<sup>th</sup> April 2022, 6<sup>th</sup> May 2022, 13<sup>th</sup> May 2022, 20<sup>th</sup> May 2022, 24<sup>th</sup> May 2022, 28<sup>th</sup> May 2022, 2<sup>nd</sup> August 2022, 4<sup>th</sup> November 2022 and 31<sup>st</sup> January 2023.

Attendance of each Director at the Board of Directors' meetings and at the previous Annual General Meeting along with the number of other companies and committees where the Director is a Chairman/Member is given hereunder:

Name of Director	Category <sup>A</sup>	Skills/ expertise/ competence	No. of Director- ships in other companies <sup>+</sup> as on 31 <sup>st</sup> March 2023	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies <sup>++</sup> as on 31 <sup>st</sup> March 2023		Directorship in other Listed entity	
							Chairman	Member	Name	Category <sup>A</sup>
Saroj Kumar Poddar	Chairman / NED	Business Management Leadership and General Management and Industry Experience	11	8	Nil	Yes	0	0	Chambal Fertilisers and Chemicals Limited	NED
									Texmaco Infrastructure & Holdings Limited	NED
									Texmaco Rail & Engineering Limited	NED
									Zuari Agro Chemicals Limited	NED
									Zuari Industries Limited	NED
N. Suresh Krishnan	MD	Corporate Finance, Corporate Strategy, Project Planning, Operations and Business Development. Leadership and Industry Experience	3	9	Nil	Yes	0	0	Mangalore Chemicals & fertilizers Limited	NED
Soual Mohamed	NED	General Management and industry experience	1	7	Nil	No	0	0	-	-
Karim Lotfi Senhadji	NED	Risk Management, Finance Skills, Business Management, Leadership Skills	1	2	Nil	No	0	0	-	-



Name of Director	Category <sup>^</sup>	Skills/ expertise/ competence	No. of Director- ships in other companies <sup>+</sup> as on 31 <sup>st</sup> March 2023	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies <sup>++</sup> as on 31 <sup>st</sup> March 2023		Directorship in other Listed entity	
							Chairman	Member	Name	Category <sup>^</sup>
Ujjwal Kumar@	NED	General Management and industry experience	NA	4	Nil	NA	NA	NA	NA	NA
Marco Philippus Ardeshir Wadia#	ID	Legal profession having specialised in corporate matters and mergers and acquisitions.	NA	7	Nil	Yes	NA	NA	NA	NA
Kiran Dhingra	ID	Experience in Corporate governance & legal compliances and experience and knowledge in the matters of Safety and Corporate Social Responsibility	4	7	Nil	Yes	0	3	Goa Carbon Limited	ID
									Astra Micro Wave Products Limited	ID
									Stovec Industries Limited	ID
Satyananda Mishra	ID	Experience in governance Corporate risk assessment and strategic analysis	3	9	Nil	Yes	0	2	Ugro Capital Limited	ID
Dipankar Chatterji	ID	Chartered Accountant by profession and is an expert in the field of Finance, Taxation, Accounts and Laws	9	9	Nil	Yes	4	0	Nicco Parks & Resorts Limited	ID ID
									Zuari Agro Chemicals Limited	
									Jagaran Microfin Pvt Ltd. (debt Listed)	
Subhrakant Panda	ID	Experience in Business Management/ corporate planning, strategic Analysis	7	7	Nil	Yes	0	0	Indian Metals and Ferro Alloys Limited	MD
									Goa Carbon Limited	ID
									Jk Tyre & Industries Limited	ID

<sup>^</sup>MD-Managing Director, ID-Independent Director, NED-Non-Executive Director,  
@ upto 27<sup>th</sup> May 2022, # upto 18<sup>th</sup> September 2022.

<sup>+</sup> Includes Directorship in other public and private companies.

<sup>++</sup>Includes Audit Committee and Stakeholders' Relationship Committee only in public companies.

None of the Directors are related to each other.



### Specific skills/ expertise/ competency identified / required

The following skills / expertise / competencies are identified to be required for the effective functioning of the Company which are currently available with the Directors.

#### a. Strategic skills

Creation & implementation of effective strategies, ability to think strategically to propose new ideas and future-oriented perspective. Need for clear vision on business models and strategic analysis.

#### b. Finance skills

The ability to analyse key financial statements, critically assess financial viability and performance, contribute to strategic financial planning and oversee budgets.

#### c. Regulatory matters

Understanding of the relevant laws, rules, regulation policies applicable to the organisation/ industry/ sector and level/ status of compliances thereof by the organisation.

#### d. Industry / Product related

Experience & knowledge of the industry and its dynamics.

#### e. Risk related

Identification of key risks including legal and regulatory compliance, and advising on risk mitigation.

#### f. Business management

Experience at an executive level including the ability to evaluate the performance of the senior management, strategic human resource management and industrial relations; oversee large scale organisational change.

#### g. Corporate Governance related

Understanding of the best corporate governance practices, relevant governance codes, and governance structure.

#### h. Personal attributes

Integrity & Ethics, Constructive participation, leadership qualities, innovative thinking and critical analysis.

### Independent Directors

#### a. Familiarization Programme

The Company, in compliance with Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulates programmes to familiarize new Independent Directors inducted on the Board with the Company, nature of the industry, business model and their roles and responsibilities. The Independent Directors are having rich experience on the roles, rights and responsibilities of Independent Directors. The details of familiarization programme have been disclosed on the Company's website [www.paradeepphosphates.com](http://www.paradeepphosphates.com).

#### b. Separate Meeting

A separate meeting of the Independent Directors was held on 20<sup>th</sup> May 2022 to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### c. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and are independent of the management.

### 3. AUDIT COMMITTEE

The terms of reference of the Audit Committee are as given below:

- i. The Audit Committee shall meet at least 4 times in a year with not more than 120 days gap between two meetings.
- ii. The quorum for the meetings shall be at least 2 independent directors and Chairman of the meeting shall be an Independent Director.



- iii. The Audit Committee shall have the powers to investigate any financial activity, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary
- iv. The role of Audit Committee and the information that the Audit Committee shall review will be as specified in Section 177 of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part C of Schedule II.
- v. The Audit Committee shall specify the criteria for making the omnibus approval which shall include parameters prescribed in Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014.
- vi. The Audit Committee shall review Policy on Related Party Transactions and Whistle-blower Policy on an annual basis.
- vii. The Company Secretary shall act as the secretary to the Audit Committee.

Besides the above, the additional terms of reference of Audit Committee as per the Companies Act, 2013 includes reviewing and monitoring auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditor's report thereon; approval or any subsequent modification of transactions of the Company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the Company, whenever it is necessary.

During the year, six meetings of the Audit Committee were held on 28<sup>th</sup> May 2022, 26<sup>th</sup> July 2022, 2<sup>nd</sup> August 2022, 4<sup>th</sup> November 2022, 23<sup>rd</sup> January 2023 and 31<sup>st</sup> January 2023.

The composition and the attendance of the members of the Audit Committee is as follows:

Name of the Director	Status	No. of meetings attended
Marco Wadia@	Chairman	03
Dipankar Chatterji#	Chairman	03
Kiran Dhingra	Member	05
Satyananda Mishra	Member	05
Karim Senhadji	Member	04

@ upto 18<sup>th</sup> September 2022, # w.e.f. 6<sup>th</sup> October 2022

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration Committee are as given below;

- i. The Nomination and Remuneration Committee shall meet at such intervals as may be necessary, but at least once in a year, to discharge its functions.
- ii. The quorum for the meetings shall be at least 2 members including at least one Independent Director and Chairman of the meeting shall be an Independent Director
- iii. The role of Nomination and Remuneration Committee shall be as specified in Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.
- iv. The Nomination & Remuneration Committee shall review Nomination and Remuneration Policy and Policy on Board Diversity on an annual basis.
- v. The Company Secretary shall act as the secretary to the Nomination & Remuneration Committee.
- vi. Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:
  - (a) administering the [PPL Employees Stock Option Plan 2021] (the "Plan");
  - (b) determining the eligibility of employees to participate under the Plan;
  - (c) granting options to eligible employees and determining the date of grant;
  - (d) determining the number of options to be granted to an employee;
  - (e) determining the exercise price under the Plan; and
  - (f) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by [the trust,] the Company and its employees, as applicable.
- (c) Carrying out any other activities as may be delegated by the Board of Directors of the Company and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

During the year, three meetings of the Nomination and Remuneration Committee were held on 20<sup>th</sup> May 2022, 26<sup>th</sup> July 2022 and 31<sup>st</sup> January 2023.

The composition and the attendance of the members of the Nomination and Remuneration Committee is as follows:

Name of the Director	Status	No. of meetings attended
Marco Wadia@	Chairman	02
Satyananda Mishra#	Chairman	01
Kiran Dhingra	Member	03
Soual Mohamed	Member	01

@ upto 18<sup>th</sup> September 2022, # w.e.f. 19<sup>th</sup> September 2022.

#### Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has evaluated the performance of every Director and the evaluation process was carried out by circulating questionnaires on performance of duties, participation and contribution to the Board and Committees.

## 5. RISK MANAGEMENT COMMITTEE

The terms of reference of the Risk Management Committee are as given below:

- i. The Committee shall meet at such intervals, as per the applicable provisions of the Companies

Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

- ii. The quorum for the meetings of the Committee shall be as per the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.
- iii. The Chairman of the Committee and its meetings shall always be a member of the Board of Directors.
- iv. The Committee shall monitor and review the risk management plan.
- v. The Committee shall review risk matrix and regulatory risk factors.
- vi. The Committee shall review Foreign exchange Hedging policy and Risk Management Policy on an annual basis.
- vii. The Committee shall exercise such powers and duties as may be delegated by the Board of Directors.
- viii. The Company Secretary shall act as the secretary to the Committee.

During the year, two meetings of the Risk Management Committee were held on 26<sup>th</sup> July 2022 and 22<sup>nd</sup> January 2023.

The composition and the attendance of the members of the Risk Management Committee is as follows:

Name of the Director	Status	No. of meetings attended
Suresh Krishnan	Chairman	02
Dipankar Chatterji	Member	02
Karim Senhadji	Member	02
Sabaleel Nandy#	Member	02

#upto 25<sup>th</sup> March 2023

## 6. REMUNERATION OF DIRECTORS

The Company did not have any pecuniary relationship or transaction with any Non-Executive Directors during the year 2022-23.

Remuneration by way of sitting fees was paid to the Non-Executive Directors during the financial year ended 31<sup>st</sup> March 2023 for attending the meetings of the Board and the Committees. Payment of remuneration to the Managing Director was as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Shareholders.





The details of the remuneration to the Directors is given below.

Name of the Director	Salary (INR in Lakhs)	Sitting fees (INR in Lakhs)	Perquisites	Stock Options (in number)	Bonus	Retirement benefit (INR in Lakhs)	Terms of service contract
Saroj Kumar Poddar	-	-	-	-	-	-	Director liable to retire by rotation
N Suresh Krishnan	401.01	-	-	4,62,021*	-	16.60	Reappointed as MD for a period of 3 years w.e.f. 16.02.2023. Termination with 6 months' notice by either party
Soual Mohamed	-	-	-	-	-	-	Director liable to retire by rotation
Karim Lotfi Senhadji	-	-	-	-	-	-	Director liable to retire by rotation
Ujjwal Kumar@	-	-	-	-	-	-	NA
Marco Wadia#	-	4.30	-	-	-	-	NA
Kiran Dhingra	-	6.45	-	-	-	-	Reappointed as Independent Director for a period of 3 years w.e.f 27.07.2020
Satyananda Mishra	-	5.90	-	-	-	-	Appointed as Independent Director for a period of 3 years w.e.f. 04.11.2020
Dipankar Chatterji	-	5.35	-	-	-	-	Appointed as Independent Director for a period of 3 years w.e.f. 03.08.2021
Subhrakant Panda	-	3.00	-	-	-	-	Appointed as Independent Director for a period of 3 years w.e.f. 31.01.2022

@ 27.05.2022, # upto 18.09.2022.

\*The options granted during the FY 2021. The stock options would vest after fulfilment of vesting conditions in accordance with the ESOP Plan of the Company.

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference of the Stakeholders' Relationship Committee are as given below;

- The Stakeholders Relationship Committee shall meet at such intervals as it may be necessary, but at least once in a year, to discharge its functions
- The quorum for the meetings shall be at least 2 members.
- The Chairman of the meeting shall be a non - executive director and he shall be present at the annual general meeting.
- The role of Stakeholders Relationship Committee shall be as specified in Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.

During the year, one meeting of the Stakeholders' Relationship Committee was held on 31<sup>st</sup> January 2023.

The composition and the attendance of the members of the Stakeholders' Relationship Committee is as follows:

Name of the Director	Status	No. of meetings attended
Satyananda Mishra	Chairman	01
Kiran Dhingra	Member	01
N. Suresh Krishnan	Member	01

Mr. Sachin Patil, Company Secretary is the Compliance Officer.

During the year ended 31<sup>st</sup> March 2023, the Company has received 02 shareholders' complaints and same are redressed to the satisfaction of the shareholders.

## 8. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. The Board has designated the Company Secretary, as the Compliance Officer and authorised the Managing Director to monitor the compliance of the aforesaid regulations.



## 9. CODE OF BUSINESS CONDUCT AND ETHICS

The Company has in place, a Code of Business Conduct and Ethics for its board members and the senior management, which has been posted on the Company's website. The board and the senior management affirm compliance with the code, annually.

## 10. GENERAL MEETINGS

The details of location, time and special resolutions passed at the previous three Annual General Meetings given below:

Date	Time	Venue	Special Resolutions Passed
12 <sup>th</sup> September 2022	4:30 PM	Through Video Conferencing	<ul style="list-style-type: none"> <li>Borrow and mortgage/charge the Company's properties in favour of its lenders</li> </ul>
17 <sup>th</sup> September 2021	5:00 PM	Through Video Conferencing	<ul style="list-style-type: none"> <li>Borrow and mortgage/charge the Company's properties</li> </ul>
11 <sup>th</sup> September 2020	3:30 PM	Through Video Conferencing	<ul style="list-style-type: none"> <li>Re-appoint Ms. Kiran Dhingra (DIN 00425602), as an Independent Director</li> <li>Appoint Mr. N. Suresh Krishnan (DIN: 00021965) as Managing Director of the Company</li> </ul>

Details of the Special Resolution passed through Postal Ballot during the financial year 2022-23:

<b>Brief procedure for postal Ballot</b>	Postal Ballot conducted as per Section 110 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014.
<b>Type of meeting</b>	Postal Ballot
<b>Date of Postal Ballot Notice</b>	May 28, 2022
<b>Item of Special Resolution passed through the Postal Ballot</b>	Appointment of Mr. Subhrakant Panda as an Independent Director
<b>Details of voting pattern</b>	Votes in favour: 62,12,19,532 (99.45%) Votes against: 34,63,842 (0.055%)
<b>Name of Scrutinizer for conducting Postal Ballot</b>	Mr. Shivaram Bhat, Practicing Company Secretary
<b>Date of declaration of result date of approval</b>	August 8 <sup>th</sup> , 2022 August 7 <sup>th</sup> , 2023

All official press releases, presentations made to analysts and institutional investors and other general information about the Company are also available on the website of the Company.

## 12. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting

The Forty-First Annual General Meeting of the Company will be held on **Tuesday 26<sup>th</sup> September 2023 at 3:00 PM** through VC

### b. Financial Year

Financial Year – 1<sup>st</sup> April to 31<sup>st</sup> March

Financial reporting during the year 2023-24:

Quarter	Declaration of un-audited/audited financial results
Results for the quarter ending 30 <sup>th</sup> June 2023	On or before 14 <sup>th</sup> August 2023 or such prescribed period
Results for the half – year ending 30 <sup>th</sup> September 2023	On or before 14 <sup>th</sup> November 2023 or such prescribed period
Results for the quarter ending 31 <sup>st</sup> December 2023	On or before 14 <sup>th</sup> February 2024 or such prescribed period
Audited Annual Results for 2023-24	On or before 30 <sup>th</sup> May 2024 or such prescribed period

### c. Record date: 19<sup>th</sup> September 2023

### d. Dividend payment date: Within 30 days from the date of approval of shareholders

## 11. MEANS OF COMMUNICATION

The quarterly financial results will be published in FINANCIAL EXPRESS/ Business Line, an English daily as well as SURYA PRAVA, a vernacular daily. The results are also posted on the Company's website: [www.paradeephosphates.com](http://www.paradeephosphates.com).

#### e. Listing on the Stock Exchanges

The Company's shares are presently listed on the following Stock Exchanges:

BSE Limited (Bombay Stock Exchange)

Phiroze Jeejeebhoy Towers

Dalal Street, MUMBAI – 400 023

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex

Bandra (E), MUMBAI – 400 051

The Company has paid the annual listing fees to the Stock Exchanges and the custodial fees to NSDL and CDSL for the financial year 2022-23.

#### f. Stock Code

BSE Limited: 543530

National Stock Exchange of India Limited:

PARADEEP

International Standard Identification Number

(ISIN): INE088F01024

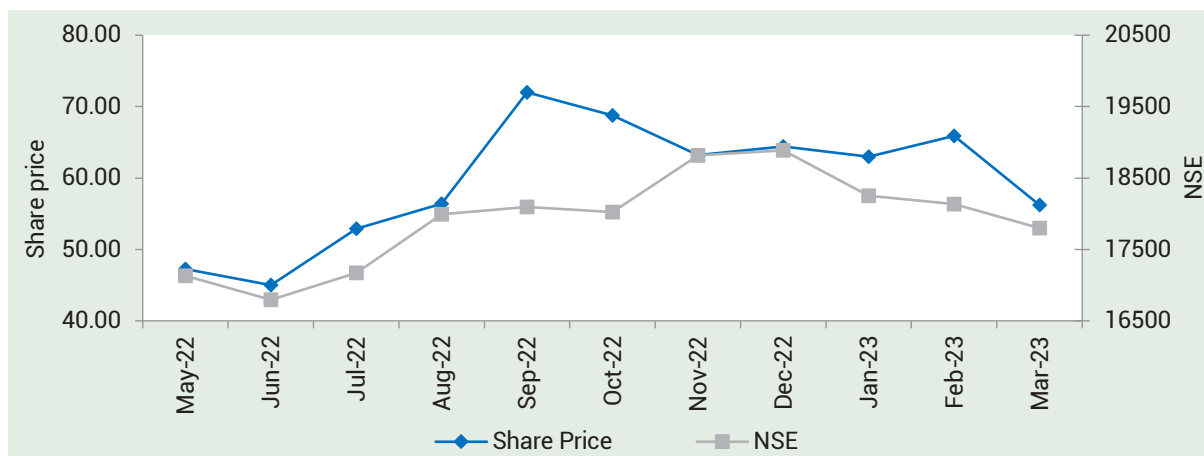
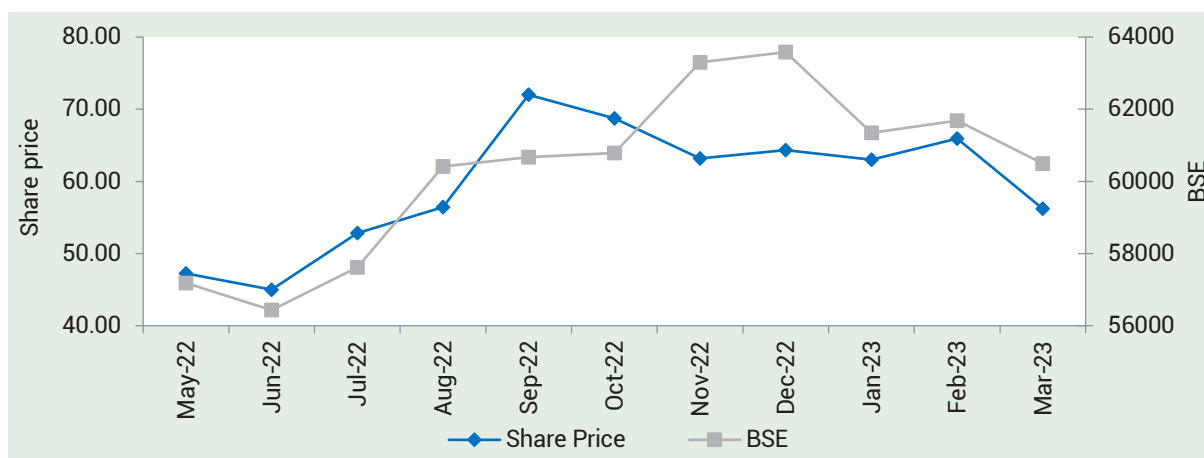
#### g. Market Price Data

The monthly high and low quotations at BSE and NSE during the year under review are given below:

Month & Year	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
May 2022	47.25	41.15	47.25	41.10
June 2022	45.00	37.45	45.00	37.45
July 2022	52.85	38.50	52.90	38.45
August 2022	56.45	47.40	56.40	47.50
September 2022	72.00	53.95	72.00	54.05
October 2022	68.75	58.85	68.75	58.80
November 2022	63.20	54.60	63.20	54.60
December 2022	64.35	53.25	64.40	53.25
January 2023	63.00	56.35	63.00	56.30
February 2023	65.95	52.60	65.90	52.55
March 2023	56.22	48.35	56.20	48.30

Source: www.bseindia.com & www.nseindia.com

#### h. Performance in comparison to BSE Sensex and Nifty 50



**Note:** Highest traded price of the month is considered for the graph.



- i. **The securities were not suspended from trading during the year**

- j. **Registrars and Share Transfer Agents**

M/s. Link Intime India Private Limited, have been engaged to provide both share transfer as well as dematerialisation services.

- k. **Shareholding Pattern as on 31<sup>st</sup> March 2023**

Category	No. of Equity Shares	% of share-holding
Promoters & Promoters Group	456942507	56.10
Insurnace Companies	34899520	4.28
Mutual Funds	142350203	17.48
Foreign Portfolio Investors	41562062	5.10
Private Corporate Bodies	7771417	0.95
Public	122283947	15.01
NRI	3046224	0.37
others	5641739	0.69
<b>Total</b>	<b>814497619</b>	<b>100</b>

**Distribution of shareholding as on 31<sup>st</sup> March 2023**

	No. of shareholders	% of shareholders
1 - 500	182,440	82.92
501 - 1000	19,441	8.83
1001 - 2000	9,732	4.42
2001 - 3000	2,932	1.33
3001 - 4000	1,311	0.60
4001 - 5000	1,756	0.80
5001 - 10000	1,367	0.62
10001 & above	1,048	0.48
<b>Total</b>	<b>220,027</b>	<b>100.00</b>

- l. **Dematerialisation of shares and liquidity**

The Company's equity shares having been mandated for settlement only in dematerialised form by all investors, the Company has signed tripartite agreements with the National Securities Depository Limited [NSDL], the Central Depository Services (India) Limited [CDSL] and Link Intime India Private Limited, to offer depository related services to its shareholders. As on date, 100.00% of the equity share capital of the Company has been dematerialised.

- m. **The Company has not issued GDRs/ADRs/Warrants and Convertible Instruments.**

- n. **Commodity price risk or foreign exchange risk and hedging activities.**

As the Company is not engaged in business of commodities which are traded in recognised commodity exchanges, commodity risk is not applicable. Foreign Currency Exchange risk is hedged in accordance with the Policy formulated by the Company for that purpose and periodical update is given to the Board on a quarterly basis.

- o. **Plant location:** Paradeep, Jagatsinghpur, Odisha – 754145 & Zuarinagar, Goa - 403726

- p. **Address for Correspondence**

Corporate Office	Registrars and Transfer Agents
Paradeep Phosphates Limited 3rd Floor, Adventz Centre 28 Union Street, Off Cubbon Road, Bengaluru - 560001, Karnataka, India Phone: +91 8046812500 +91 8046812555 Email: cs.ppl@adventz.com	M/s. Link Intime India Private Limited 247 Park, C – 101, 1st Floor, L.B.S. Marg, Vikhroli – (West) Mumbai – 400 083 Ph. No: +91 022- 49186200 Email: rnt.helpdesk@linkintime.co.in

The Company has designated the email ID cs.ppl@adventz.com for registering investor complaints.

- q. **Credit ratings**

- Agency - ICRA Limited
- Instrument - Line of credit
- Rating - ICRA A (long term scale)  
ICRA A1 (short term scale)
- The outlook on the long term rating is Stable

**13. OTHER DISCLOSURES**

- a. Disclosures on materially significant related party transactions

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company. However, please refer to the relevant Notes to the financial statements on related party transactions.

- b. Details of non-compliance by the Company, penalties, strictures

The Company has complied with all the statutory requirements comprised in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and there were no penalty / strictures were imposed on the Company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

- c. The Company has a Whistleblower Policy closely monitored by the management. No personnel has been denied access to the Audit Committee.
- d. The Company has complied with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- e. The Company does not have any subsidiary and hence policy on determining material subsidiaries is not applicable.
- f. The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the Policy on Related Party Transactions and the same is placed on website of the Company <https://www.paradeepphosphates.com/investors/corporate-governance#policies>
- g. The subsidy mechanism applicable for Urea appropriately recognises commodity price fluctuations in respect of the required inputs. Similarly, subsidy mechanism under Nutrient Based Subsidy scheme applicable for DAP, MOP and other complex fertilizers and the market realisation reflect the fluctuations in the respective commodity prices.
- h. The Company has not raised any funds through preferential allotment or qualified institutions placement.
- i. Certification from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified

from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this Report.

- j. The Board has accepted all the recommendations of the various committees of the Board, in the relevant financial year.
- k. Total fees for all services to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is given in Note No. 27 to the Financial Statements.
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year: Nil
  - number of complaints disposed off during the financial year: Nil
  - number of complaints pending as on end of the financial year: Nil
- m. The Company has adopted para C and E of Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- n. The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- o. There are no shares in the demat suspense account or unclaimed suspense account.
- p. The Company has not given any Loans and advances in the nature of loans to firms/ companies in which Directors are interested.

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

**Saroj Kumar Poddar**

Chairman

DIN: 00008654

Date: 17<sup>th</sup> May 2023



## ANNEXURE- B TO THE BOARD'S REPORT

### CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

**Paradeep Phosphates Limited**

We have examined the compliance of conditions of Corporate Governance by Paradeep Phosphates Limited, for the financial year ended on 31st March 2023, as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance with conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation process adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **B.C. DEBATA & ASSOCIATES**

Company Secretaries

**Bidhan Ch. Debata**

Proprietor

FCS No. 4902, CP No.12574

UDIN: F004902E000316061

Place: Bhubaneswar

Date: 16<sup>th</sup> May 2023

## ANNEXURE- C TO THE BOARD'S REPORT

### DECLARATION BY THE MANAGING DIRECTOR

Pursuant to Regulation 26(3) of SEBI (LODR) Regulations, 2015, I, N Suresh krishnan, Managing Director of Paradeep Phosphates Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2022-23.

**N Suresh Krishnan**

Managing Director

DIN: 08029847

Date : 17<sup>th</sup> May ,2023





## ANNEXURE- D TO THE BOARD'S REPORT

### CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to clause (i) of point 10 of para C of Schedule V of Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
**Paradeep Phosphates Limited**  
5<sup>th</sup> Floor, Orissa State Handloom  
Weavers' Co-Operative Building,  
Pandit J. N. Marg, Bhubaneswar-751 001.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Paradeep Phosphates Limited** ('the Company') bearing **CIN: L24129OR1981PLC001020** and having its registered office at 5<sup>th</sup> Floor, Orissa State Handloom Weavers' Co-operative Building, Pandit J. N. Marg, Bhubaneswar-751001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs in writing.

Name	DIN	Date of Appointment in Company
Saroj Kumar Poddar	00008654	5 <sup>th</sup> February 2014
Narayanan Suresh Krishnan	00021965	16 <sup>th</sup> February 2020
Dipankar Chatterji	00031256	3 <sup>rd</sup> August 2021
Subhrakant Panda	00171845	31 <sup>st</sup> January 2022
Kiran Dhingra	00425602	27 <sup>th</sup> July 2017
Satyananda Mishra	01807198	4 <sup>th</sup> November 2020
Soual Mohamed	08684762	3 <sup>rd</sup> February 2020
Karim Lotfi Senhadji	09311876	31 <sup>st</sup> January 2022

- Mr. Marco Philippos Ardeshir Wadia (DIN: 00244357) ceased to be a Director of the Company with effect from 19<sup>th</sup> September 2022 on completion of his term as Independent Director of the Company.
- Mr. Ujjwal Kumar (DN: 09340001) ceased to be nominee director with effect from 27<sup>th</sup> May 2022 on cessation of nomination.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B.C. DEBATA & ASSOCIATES**

Company Secretaries

**Bidhan Ch. Debata**

Proprietor

Place: Bhubaneswar

Date :15<sup>th</sup> May 2023

FCS No. 4902, CP No.12574

UDIN: F004902E000311461



# ANNEXURE- E TO THE BOARD'S REPORT

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2023

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

To,

#### The Members

Paradeep Phosphates Ltd.  
5th Floor, Orissa State Handloom Weavers'  
Co-Operative Building, Pandit J.N Marg  
Bhubaneswar, Odisha-751001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PARADEEP PHOSPHATES LIMITED** (hereinafter called '**the Company**') bearing **CIN L24129OR1981PLC001020**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2023, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

And

(vi) Following industry specific laws specifically applicable to the Company.

- 1) The Fertilisers (Control) Order, 1985;
- 2) The Fertiliser (Movement Control) Order, 1973;
- 3) The Fertilizer (Control) (Organic, Inorganic and Mixed) Order, 1985
- 4) The Environment Protection Act, 1986
- 5) Hazardous Waste (Management & Trans-boundary Movement) Rules, 2008
- 6) Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989.
- 7) Legal Metrology Act, 2009.
- 8) Insecticides Act, 1968
- 9) Essential Commodities Act
- 10) Indian Boilers Act

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India relating to Board Meetings and General Meetings.

- (ii) The Listing agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.;

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

I report that, on examination of the relevant documents and records, and based on the Company's Management representation, the Company has been regular in complying with the provisions of the Act, Rules, and Regulations etc., relating the other industry specific laws and has adequate systems to monitor and ensure its compliance.

Based on the information provided by the Company and its officers during the conduct of the audit, and also on the review of compliance reports by respective department heads and the Managing Director, duly taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable other general laws.

The compliance by the Company of applicable financial laws, such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at the General Meetings, Board Meetings and Committee Meetings were recorded in the minutes of the respective meetings.

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

I further report that during the audit period:

1. The Equity Shares of the Company were listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) with effect from 27th May 2022, pursuant to Initial Public Offering ("IPO") of the Company by way of a Fresh Issue and an Offer for Sale.
2. The 'PPL- Employees Stock Option Plan 2021' (ESOP – 2021) and extension of the benefits of the said ESOP 2021 to eligible employees of the group Company(ies) including a subsidiary or associate or of a holding Company of the Company was ratified by the shareholders through postal ballot on the 18<sup>th</sup> April 2023.

**For B.C. DEBATA & ASSOCIATES**

Company Secretaries

**Bidhan Ch. Debata**

Proprietor

FCS No. 4902, CP No.12574

UDIN: F004902E000316081

Place: Bhubaneswar

Date :16<sup>th</sup> May 2023

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





**'Annexure A'**

To,

**The Members**

Paradeep Phosphates Ltd.  
5th Floor, Orissa State Handloom Weavers'  
Co-Operative Building, Pandit J.N Marg  
Bhubaneswar, Odisha - 751001.

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. I have conducted the audit based on the documents, information and clarifications received digitally online from the company, due to the covid19 restrictions in place during the period of audit. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For B.C.DEBATA & ASSOCIATES**

Company Secretaries

**B.C.DEBATA**

Proprietor

FCS No. 4902, CP No.12574

Place: Bhubaneswar

Date :16<sup>th</sup> May 2023

## ANNEXURE- F TO THE BOARD'S REPORT

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

#### (A) Conservation of Energy

##### Paradeep Plant

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

- SAP-A& B cooling tower pump replacement & commissioning: Out of four pumps one pump (D) replaced with a new cooling water pump with low capacity (2400 cum/hr. vs. 3700 cum/hr.) is installed to meet the present requirement and to get the savings in terms of power consumption. Yearly power saving estimated based on 330 days operation will be around 950 MW. Proposal for replacement of 2<sup>nd</sup> pump is in progress.
- Power consumption from solar source (by installed 255 kW solar panel) is 270562 kWh in 2022-23.
- Common condensate recovery system development for Ammonia vaporizer steam is initiated at DAP plant, implementation is in progress.
- Upgradation of old motors to Energy Efficient motors of IE3 grade is continued in existing plants.
- Phase-wise replacement of conventional lights with LED lights continued in the complex.
- Optimisation of recovery of steam condensate up to 90% achieved.
- Effluent treatment plant (ETP) effluent load reduced by 50% by recycling & utilisation of cooling tower blow down water, boiler blow down water & pump seal water in process.

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

- Power generation from Solar energy is continued in PPL township.

##### Goa Plant

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

- In the Ammonia plant, SX steam pressure is increased from 92 kg/cm<sup>2</sup>g to 98-99 kg/cm<sup>2</sup>g. Due to this increase in pressure, the steam consumption in HPT of syngas compressor is reduced by approximately 4 MTPH and overall steam generation is reduced by 3 MTPH. Impact on Urea Specific

Energy consumption is approximately 0.035 Gcal/MT Urea.

- Pressure control valve on Waste Heat boiler steam drum is removed thereby discharge pressure of BFW pump is reduced by 2.0 kg/cm<sup>2</sup>. Saving in BFW steam consumption by approx. 0.3 MTPH.
- Received PDP from M/s Casale for Energy Saving Project in Ammonia Plant. The expected saving in Energy post implementation of the PDP is 0.79 Gcal/MT Ammonia. The impact on Urea Specific energy consumption is 0.458 Gcal/MT Urea. The Part implementation of PDP is planned in DEC 2023 which will reduce Urea specific Energy by approximately 0.1 Gcal/MT urea. Accordingly all the necessary orders for supply as well as execution are in place and the supply of material is also started to flow in.
- Further, in order to reduce Urea Specific Energy by Approx.0.4 Gcal/MT urea, implementation of GT+HRSG is conceptualized to implement in March 2025 along with complete implementation of PDP in Ammonia Plant.
- Work order is awarded for the setting up a Bio Gas unit from Canteen waste to reduce LPG consumption in Canteen.
- Upgradation of old motors to Energy Efficient motors is continued in existing plants.
- Phase-wise replacement of conventional lights with LED lights continued in the complex.
- Detail steam system audit of the entire complex has been completed by M/s Armstrong to optimize condensate/ efficient hot water recovery. Implementation is in progress.

##### (ii) The steps taken for utilizing alternate sources of energy

- Vendor selection for Power generation from Solar energy by implementing floating solar panels on captive DAM is in process. Meanwhile a 400 KW of Roof Top Solar is also proposed for immediate implementation.



**(B) Technology Absorption**

- (i) The efforts made towards technology absorption and the benefits derived therefrom

**Paradeep Plant**

- For new 600 TPD Phosphoric acid plant, the company hastied up with M/s Prayon Technology. Construction and erection activities are in full swing, commissioning is expected by FY24 Q2. It will minimize the import of P2O5.

**Goa Plant**

- In order to improve the Specific Energy Consumption of Ammonia /Urea plants, Energy Saving Project (ESP) is initiated. M/s Casale has completed and submitted the PDP for Ammonia plant to achieve an energy saving of 0.79 Gcal/MT of Ammonia, which corresponds to saving of 0.458 Gcal/MT of Urea. Further, to reduce Specific energy consumption of Urea by another 0.4 Gcal/MT urea, installation of GT+ HRSG along with drive changes has been envisaged. Phase wise implementation approach is adopted for the complete project. Phase-1: will be implemented in Nov/DEC 2023 which will provide for the following benefits ;
  - Expected reduction in energy consumption is 0.09-0.1 Gcal/MT Urea
  - Expected reduction in water consumption: 200-250 M3/day.
  - Expected Reduction in CO2 Emission : 30 tCO2e
  - Ammonia and Urea plant DCS system upgraded from CENTUM CS 3000 TO CENTUM VP.
  - A study of NPK-B plant recycle system is completed by M/s JESSA (Jacobs). Implementation in progress. Changes will give benefit in optimization in capacity and product quality.

- (ii) Solar power generation and utilisation at Township is continued

- (iii) The details of technology imported during the last three years, year of import and status of absorption  
The Company has imported the following technologies during the last three years which are under implementation:

- M/s. Jacobs technology was adopted to increase production by 15 T/H per train, reduce stack losses and improve product quality. Revamp of all granulation trains have been completed usefully with latest completion of train B during Nov'22.
- M/s Prayon technology is under implementation to produce 600 TPD phosphoric acid.

**(iv) The expenditure incurred on Research & Development:**

The expenditure incurred during the year is ₹ 119.14 lakh including Capital expenditure of ₹ 0.95 Lakhs. The following R&D activities were taken up during the year.

- IIT-BBSR designed PAP reactor agitator has been installed and performance is satisfactory.
- Anti-scaling agent development for graphite heat exchanger is completed at IIT-BBSR. Scaling agent is developed and tested at IIT lab and in proposal stage for conducting plant trial.
- Biomass Mediated Value Addition to Fertilizer Industries Waste project under waste management technology programme was collaborated with CSIR-IMMT Bhubaneswar in Oct 2020. Pilot plant study is completed. Mass balance and energy balance are being carried out at CSIR- IMMT Bhubaneswar. Different Product chemical composition is analysed, neutralized customised bio fertilizer rich with carbon, Sulphur, Calcium, potash and other nutrients is the end product. Also, Liquid (pyroligneous liquid) and Gas (syn-gases) were obtained. Re use of gas and liquid in the process or other source is to be finalised. By product liquid and gas characterisation is in progress
- Development and exploration of suitable Bentonite resources - Zypmite product formulation for the better granulation and crushing strength improvement is completed and result is satisfactory.
- A Laboratory scale study with various additives for gypsum nucleation, crystal growth & morphology of Gypsum Crystal:



The addition of crystal habit modifier during phosphoric acid production resulted in scaling up the production rate with higher P2O5 recovery efficiency from phosphatic rock by better filtration.

- Hydrometallurgical leaching of Vanadium spent catalyst for the recovery of Vanadium: Test Completed. About 92-94% V was recovered from the spent catalyst generated from Sulphuric acid plant using hydrometallurgical leaching which will also eliminate the hazardous impact to the environment during its disposal.

### (C) Foreign Exchange earnings & outgo

(₹ in Crores)

	2022-23	2021-22
Foreign exchange outgo	7,986.13	2,859.91
Foreign exchange earnings	289.93	76.95

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

**Saroj Kumar Poddar**

Chairman

DIN: 00008654

Date: 17<sup>th</sup> May 2023



## ANNEXURE- G TO THE BOARD'S REPORT

### ANNUAL REPORT ON CSR ACTIVITIES

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

The Corporate Social Responsibility of the Company encompasses the culture of trust and caring while discharging its Social Responsibility to meet the expectation of all stakeholder and the society at large. As a responsible corporate, the Company contributes towards inclusive growth and development by empowering communities residing in its operating territory focusing the Socio-Economic and Environmental requirements.

The CSR policy framework details the mechanism for undertaking various programmes in accordance with section 135 of the companies Act 2013 for the benefit of the community.

Over the years CSR project area has expanded to include poorer villages/beneficiaries and urban slum pockets in Paradeep and plant surrounding locations of Goa. The CSR activities focuses to address key aspects broadly in four categories:

- WaSH & Healthcare
- Education
- Empowerment
- Environment

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Marco Wadia@	Chairman	1	1
2	Kiran Dhingra#	Chairperson	1	1
3	N Suresh Krishnan	Member	1	1
4	Karim Senhadji\$	Member	N.A	N.A

@ upto 16<sup>th</sup> September 2022, # Chairperson w.e.f. 16<sup>th</sup> September 2022, \$ w.e.f. 16<sup>th</sup> September 2022

#### 3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

- a. Composition of Committee: <https://www.paradeepphosphates.com/uploads/content/composition-of-the-committees-of-ppl-02082023.pdf>
- b. Link for CSR Policy: <https://www.paradeepphosphates.com/investors/corporate-governance#policies>
- c. Link for CSR projects approved by the board: <https://www.paradeepphosphates.com/uploads/content/csr-paln-2023-241693551358.pdf>

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:- **Not applicable**

- (a) Average net profit of the Company as per sub-section (5) of section 135:- **₹ 37,716 Lakhs**
  - (b) Two percent of average net profit of the Company as per sub-section (5) of section 135:- **₹ 75,431,265**
  - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **- NIL**
  - (d) Amount required to be set off for the financial year, if any:- **- NIL**
  - (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 75,431,265**
- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 64,703,726**
  - (b) Amount spent in Administrative Overheads: **₹ 2,209,704**
  - (c) Amount spent on Impact Assessment, if applicable: **Nil**
  - (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹ 66,913,430**
  - (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 66,913,430	8,526,708*	29 <sup>th</sup> April 2023	NA	NA	NA

\* amount transferred in respect of ongoing CSR projects .

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) section 135	75,431,265
(ii)	Total amount spent for the Financial Year	66,913,430
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in The Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: - No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per as per sub-section (5) of section 135:

During the year, the Company was required to spend ₹ 75,431,265/- in accordance with Section 135(1) of the Companies Act, 2021. Out of the same, the Company had spent ₹ 66,913,430/- on the CSR projects during the Financial Year directly as well as through implementing partner Harsha Trust and HelpAge India. The unspent amount of ₹ 8,526,708/- was transferred to the unspent CSR account as is mandated under the Act and is allocated to the ongoing CSR projects. These projects will continue to be implemented in Financial Year 2023-24 and onwards as per statutory provisions applicable in this behalf.

Due to practical and on ground challenges in scaling up the projects, the aforementioned amount of ₹ 8,526,708/- had remained unspent and been transferred to the Unspent account opened by the Company. The Company reiterates its commitment to discharge its CSR obligation and shall continue to implement meaningful CSR projects in the CSR areas in accordance with its CSR Policy.

**N Suresh Krishnan**  
Managing Director  
Date: 17th May, 2023

**Kiran Dhingra**  
Chairperson, CSR Committee





## ANNEXURE- H TO THE BOARD'S REPORT

**A. Statement of particulars pursuant to the provisions of section 197 (12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.**

**I The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:**

Sr. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Saroj Kumar Poddar	-
2	N Suresh Krishnan	42.21 :1
3	Soual Mohamed	-
4	Karim Lotfi Senhadji	-
5	Ujjwal Kumar#	-
6	*Marco Wadia	0.43 : 1
7	*Kiran Dhingra	0.65 : 1
8	*Satyananda Mishra	0.30 : 1
9	Dipankar Chatterji	0.44 : 1
10	Subhrakant Panda	-

\*Were paid sitting fees for attending meetings

**II The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year;**

Sr. No.	Name of the Director	Percentage increase in remuneration
1	Saroj Kumar Poddar	Nil
2	N Suresh Krishnan	8.00%
3	Ghislane Guedira	Nil
4	Prabhas Kumar	Nil
5	Vinay Kumar Pandey	Nil
6	Soual Mohamed	Nil
7	Karim Lotfi Senhadji	Nil
8	Ujjwal Kumar#	Nil
9	Marco Wadia	Nil
10	Kiran Dhingra	Nil
11	Satyananda Mishra	Nil
12	Dipankar Chatterji	Nil
13	Subhrakant Panda	Nil
14	Sachin Patil	26.56%
15	Bijoy Kumar Biswal	2.77%

**III The percentage increase in the median remuneration of employees in the financial year:**

9.29%

**IV The number of permanent employees on the rolls of Company:**

There are 1476 permanent employees on the rolls of the Company

**V Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The median increase in remuneration to employees other than Managerial Personnel was 9.29%

**VI It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company**

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

**Saroj Kumar Poddar**

Chairman

Date: 17<sup>th</sup> May 2023

DIN: 00008654





## ANNEXURE- I TO THE BOARD'S REPORT

### FORM NO. AOC. 1

Statement containing salient features of the financial statement of Joint Ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A": Subsidiaries

Not Applicable

#### Part "B": Joint Ventures/Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Zuari Yoma Agri Solutions Limited
1. Latest un-audited Balance Sheet Date	31 <sup>st</sup> March 2023
2. Shares of Associate / Joint Ventures held by the Company on the year end	
Number	512,500
Amount of Investment in Joint Venture	USD 512,500
Extend of Holding %	50%
3. Description of how there is significant influence	Based on the percentage of holding in the Joint Venture
4. Reason why the joint venture is not consolidated	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	1,613,061,876 in KYAT
6. Profit / Loss for the year	
i. Considered in Consolidation	128,219,524 in KYAT
ii. Not Considered in Consolidation	128,219,524 in KYAT

Names of associates or joint ventures which are yet to commence operations - Nil

Names of associates or joint ventures which have been liquidated or sold during the year - Nil.

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

**Saroj Kumar Poddar**

Chairman

Date: 17<sup>th</sup> May 2023

DIN: 00008654



# FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S REPORT

To the Members of

## Paradeep Phosphates Limited

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

#### Opinion

We have audited the standalone financial statements of Paradeep Phosphates Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Recognition and recoverability of subsidy revenue

See Note 8 and 20 to standalone financial statements

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>The Company recognizes the subsidy revenue from the Department of Fertilisers, Government of India ('GoI'). The revenue is recognised as per Nutrient Based Subsidy Policy ('NBS Policy') for Phosphatic and Potassic fertilisers and New Pricing Scheme for Urea at the time of sale of goods to its customers.</p> <p>Subsidy revenue is recognized on the basis of rates notified from time to time by the Department of Fertilisers, Government of India in accordance with NBS Policy and New Pricing Scheme. It is recognised on the basis of quantity of fertilisers sold by the Company. Further, recognition and realisability of subsidy income is subject to various conditions as per the GoI Policy. During the year, the Company has recognised ₹ 856,302.14 lakhs as subsidy revenue and out of this an amount of ₹ 306,937.59 lakhs is receivable as on 31 March 2023.</p> <p>In view of the significance of subsidy revenue and significant judgements involved around the interpretation and satisfaction of conditions specified in GoI policy, we have considered recognition and recoverability of subsidy income as a key audit matter.</p>	<p>In view of the significance of the matter, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>evaluated the design, implementation and operating effectiveness of internal controls for recognition and recoverability of subsidy revenue</li> <li>read the relevant notifications and circulars issued by the GoI from time to time with regard to subsidy policies</li> <li>tested the subsidy rates considered by the Company for the product subsidy with the applicable circulars and notifications and relevant available pricing data of fertilisers and raw materials</li> <li>reconciled the sales quantity considered for subsidy revenue with the actual sales made by the Company</li> <li>reconciled the quantities considered for estimation of subsidy revenue with quantities as per Integrated Fertilizer Management System</li> <li>evaluated the Company's assessment regarding compliances with relevant conditions as specified in the notifications and policies relating to subsidy</li> </ul>





## Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>understood and challenged the basis of judgements made in relation to the relevant notifications/circulars including past precedence and subsequent evidence, as applicable</li> <li>for evaluating the recoverability of receivables, tested the ageing analysis and assessed the information used to determine the recoverability of receivables by considering the historical trends and subsequent collections</li> </ul>

**Business combination**

See Note 44 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 March 2023, the Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited on 1 June 2022.</p> <p>The Company has accounted for this acquisition as a business combination as per Ind AS 103 with effect from the date of acquisition.</p> <p>The Company carried out a purchase price allocation as of the acquisition date. It accounted for its assets, liabilities and disclosed contingent liabilities as of the acquisition date. The excess of purchase price paid over net assets has been recognized as goodwill.</p> <p>The Company has involved external valuers for determination of fair value of land, buildings and other property, plant and equipment using relevant valuation models.</p> <p>Given the complexity and judgements involved in fair value measurement of the acquisition, we have considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>read the business transfer agreement for the business purchase to understand the key terms and conditions</li> <li>assessed the accounting treatment followed is in compliance with Ind AS 103</li> <li>inspected the work of the experts by examining the valuation reports</li> <li>evaluated the purchase price allocation and checked valuation of tangible assets by involving our internal valuation specialists</li> <li>assessed the adequacy of the Company's disclosure is in line with Ind AS 103</li> </ul>

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is

a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and

## Independent Auditor's Report (Contd.)

for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)

(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Independent Auditor's Report (Contd.)

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 15 to the standalone financial statements.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 43 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Independent Auditor's Report (Contd.)

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. As stated in Note 13 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN: 23055757BGYIHM4408





## ANNEXURE A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land	27.94	Not applicable	Not applicable	1982-85	Delay on account of administrative formalities

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return/ statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Whether return / statement subsequently rectified
June 2022	State Bank of India	Inventories	172,363.84	177,322.02	(4,958.16)	No
	State Bank of India	Trade receivables	268,278.21	268,203.00	75.21	No
	State Bank of India	Other current assets	52,426.04	60,530.03	(8,103.99)	No

## Annexure A to the Independent Auditor's Report (Contd.)

Quarter	Name of bank	Particulars	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return/ statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Whether return / statement subsequently rectified
September 2022	State Bank of India	Inventories	265,742.23	270,524.02	(4,781.79)	No
	State Bank of India	Trade receivables	310,969.30	317,746.46	(6,807.16)	No
	State Bank of India	Other current assets	52,610.33	37,241.41	15,368.92	No
December 2022	State Bank of India	Inventories	264,794.51	265,871.95	(1,077.44)	No
	State Bank of India	Trade receivables	378,190.83	379,014.19	(823.36)	No
	State Bank of India	Other current assets	51,494.68	44,632.34	6,862.34	No

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income tax demand	32.77	2016-17	Orissa High Court	
Income-tax Act, 1961	Income tax demand	37.21*	2016-17	Commissioner of Income Tax (Appeals)	*Net of amount paid under protest of ₹ 13.26 lakhs



## Annexure A to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income tax demand	15.78	2015-16	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income tax demand	11.18	2015-16	Commissioner of Income Tax (Appeals)	
Central Goods and Services Tax Act, 2017	Goods and Services Tax Demand	181.82	July 2017 to January 2018	Orissa High Court	
Central Sales Tax Act, 1956	CST Demand on branch transfers and disallowance of export sales	8420.51*	2005-06	Deputy Commissioner of Sales Tax	*Net of amount paid under protest of ₹ 2000 lakhs
Orissa Value Added Tax	Disallowance of input tax credit	47.80*	April 2016 – June 2017	Additional Commissioner (Appeals)	*Net of amount paid under protest of ₹ 4.16 lakhs
Central Sales Tax Act, 1956	Demand of central sales tax	15.44*	2013-14	Sales Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 36.04 lakhs
Custom Act, 1962	Demand of CVD and SAD on sulphur which is not used in manufacture of fertilizer	113.42*	2007-12	Customs Excise and Service Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 10 lakhs
Finance Act 1994	Service tax demand	82.13*	April 2016 – June 2017	Commissioner (Appeals), Central Excise, Customs and Service Tax	*Net of amount paid under protest of ₹ 6.67 lakhs
Central Excise Act, 1944	Excise duty	216.58	2010-11	Customs Excise and Service Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 17.56 lakhs
Orissa Entry Tax Act, 1999	Entry Tax Penalty	178.79	October 2010 to March 2012	Joint Commissioner of Sales Tax	
Orissa Entry Tax Act, 1999	Entry Tax Interest	1,544.47*	2007 to 2012, 2014 to September 2015	Orissa High Court	*Net of amount paid under protest of ₹ 508 lakhs
Orissa Entry Tax Act, 1999	Entry Tax Interest and Penalty	259.41	October 2009	Commissioner of Sales Tax & GST	
Orissa Entry Tax Act, 1999	Entry Tax Demand	418.70	March 2006 to July 2008	Orissa High Court	
Orissa Entry Tax Act, 1999	Entry Tax Demand	6,494.81*	2002-03 to September 2015	National Company Law Appellate Tribunal	*Net of amount paid under protest of ₹ 35.21 lakhs
Odisha Irrigation Act, 1959	Interest on water charges	2,845.49	2008-2022	Orissa High Court	
Custom Act, 1962	Demand on rejection of transaction value on import of MOP	63.92*	2006 to 2008	Customs Excise and Service Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 7.10 lakhs
Custom Act, 1962	Denial of concessional rate basic custom duty	284.74	2001-2006	Customs Excise and Service Tax Appellate Tribunal	

## Annexure A to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Custom Act, 1962	Denial of concessional rate basic custom duty	148.28	2002-2004	Customs Excise and Service Tax Appellate Tribunal	
Custom Act, 1962	Penalty towards denial of concessional rate Counter veiling duty	25.10*	2010-2012	Customs Excise and Service Tax Appellate Tribunal	*Net of amount paid under protest of ₹ 1.00 lakhs
Goa Cess Green	Non registering under Goa green Cess Act 2013	3,862.20*	2013-2019	Addl. Commissioner, CT and GST, Goa	*Net of amount paid under protest of ₹ 429.14 lakhs
Central Goods and Services Tax Act, 2017	Penalty towards wrongful availment of transitional credit	0.81*	2017-18	Commissioner (A), GST, West Bengal	*Net of amount paid under protest of ₹ 0.09 lakh

(viii) According to the information and explanations given to

us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate as defined

under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate (as defined under the Act).
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



## Annexure A to the Independent Auditor's Report (Contd.)

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For B S R &amp; Co. LLP

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN:23055757BGYIHM4408

## **ANNEXURE B** to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2023

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act (Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Paradeep Phosphates Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override



**Annexure B to the Independent Auditor's Report (Contd.)**

of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk

that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN:23055757BGYIHM4408



# STANDALONE BALANCE SHEET

As at 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	4(a)	279,571.01	125,973.84
(b) Right-of-use assets	4(c)	1,619.27	-
(c) Capital work-in-progress	4(b)	69,686.32	33,629.46
(d) Goodwill	44	5,806.94	-
(e) Other intangible assets	4(d)	177.84	86.23
(f) Investment in associate	5(a)	365.61	365.61
(g) Other income tax assets(net)		1,106.62	1,236.50
(h) Other non-current assets	6	5,900.04	118,276.53
<b>Total non-current assets</b>		<b>364,233.65</b>	<b>279,568.17</b>
<b>II. Current assets</b>			
(a) Inventories	7	223,767.72	229,322.24
(b) Financial assets			
(i) Investments	5(b)	-	55,036.14
(ii) Trade receivables	8	368,973.75	90,247.54
(iii) Cash and cash equivalents	9(a)	4,303.42	53,784.10
(iv) Bank balances other than (iii) above	9(b)	6,681.98	5,987.37
(v) Other financial assets	10	33,718.27	33,844.36
(c) Other current assets	6	64,048.36	45,080.39
(d) Assets classified as held for sale	11	23.26	23.96
<b>Total current assets</b>		<b>701,516.76</b>	<b>513,326.10</b>
<b>Total assets (I+II)</b>		<b>1,065,750.41</b>	<b>792,894.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(a) Equity share capital	12	81,449.76	57,545.00
(b) Other equity	13	269,070.79	165,030.92
<b>Total equity</b>		<b>350,520.55</b>	<b>222,575.92</b>
<b>II. Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(a)	61,188.79	52,817.08
(ii) Lease liabilities	14(b)	1,603.78	-
(iii) Other financial liabilities	15	180.42	286.71
(b) Provisions	16	2,379.21	2,654.83
(c) Deferred tax liabilities (net)	17	10,778.02	9,218.11
<b>Total non-current liabilities</b>		<b>76,130.22</b>	<b>64,976.73</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(c)	401,921.53	242,612.49
(ii) Lease liabilities	14(b)	77.32	-
(iii) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		667.47	818.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises		190,580.20	226,521.11
(iv) Other financial liabilities	15	24,003.11	7,766.76
(b) Other current liabilities	19	11,554.50	14,900.85
(c) Provisions	16	9,000.56	7,524.57
(d) Current tax liabilities		1,294.95	5,197.08
<b>Total current liabilities</b>		<b>639,099.64</b>	<b>505,341.62</b>
<b>Total liabilities (1+2)</b>		<b>715,229.86</b>	<b>570,318.35</b>
<b>Total equity and liabilities (I+II)</b>		<b>1,065,750.41</b>	<b>792,894.27</b>

Summary of significant accounting policies

3

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

As per our report of even date attached

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

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Membership No: 055757

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of

**Paradeep Phosphates Limited**

CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**

Managing Director

DIN: 00021965

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Sachin Patil**

Company Secretary

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**S.K. Poddar**

Chairman

DIN: 00008654

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**

Chief Financial Officer

Place: Bengaluru

Date: 17<sup>th</sup> May 2023





# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Income</b>			
I. Revenue from operations	20	1,334,072.19	785,871.92
II. Other income	21	9,107.00	3,926.99
<b>III. Total income (I+II)</b>		<b>1,343,179.19</b>	<b>789,798.91</b>
<b>IV. Expenses</b>			
Cost of raw materials consumed	22	1,043,969.52	524,622.29
Purchase of stock-in-trade		18,226.12	142,828.18
Changes in inventories of finished goods, stock-in-trade and work in progress	23	(877.73)	(39,324.17)
Employee benefits expense	24	21,320.25	13,850.44
Finance costs	25	29,124.25	8,554.14
Depreciation and amortisation expense	26	17,515.31	9,045.72
Other expenses	27	171,335.01	76,784.20
<b>Total expenses (IV)</b>		<b>1,300,612.73</b>	<b>736,360.80</b>
<b>V. Profit before tax (III-IV)</b>		<b>42,566.46</b>	<b>53,438.11</b>
<b>VI. Tax expense</b>			
- Current tax	17	9,629.93	13,721.45
- Income tax charge for the earlier years (net)	17	333.15	-
- Deferred tax charge/(credit)	17	2,234.64	(67.54)
<b>Total tax expense</b>		<b>12,197.72</b>	<b>13,653.91</b>
<b>VII. Profit for the year (V-VI)</b>		<b>30,368.74</b>	<b>39,784.20</b>
<b>VIII. Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
a) Remeasurement gain/(loss) of the defined benefit plans		92.33	(61.92)
b) Income tax on above	17	(23.23)	15.58
<b>Total other comprehensive income/(loss) for the year</b>		<b>69.10</b>	<b>(46.34)</b>
<b>IX. Total comprehensive income for the year (VII + VIII)</b>		<b>30,437.84</b>	<b>39,737.86</b>
<b>X. Earnings per equity share (nominal value of ₹ 10 each)</b>			
Basic [in ₹]	28	3.89	6.91
Diluted [in ₹]	28	3.89	6.91

Significant accounting policies

2

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

As per our report of even date attached

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

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Membership No: 055757

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of

**Paradeep Phosphates Limited**

CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**

Managing Director

DIN: 00021965

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Sachin Patil**

Company Secretary

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**S.K. Poddar**

Chairman

DIN: 00008654

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**

Chief Financial Officer

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	42,566.46	53,438.11
<i>Adjustments for</i>		
Depreciation and amortisation expense	17,515.31	9,045.72
Finance costs	25,151.99	6,151.37
Interest income	(986.50)	(299.99)
Profit on sale of current investments	(93.36)	(635.85)
Gain on fair valuation of investments measured at fair value through profit or loss	-	(38.13)
Loss on sale / discard of property, plant and equipment (net)	1,511.90	1,289.42
Loss allowance	1,239.90	2,095.78
Bad debts, claims and advances written off	68.73	10.23
Unspent liabilities/provision no longer required written back	(6,883.44)	(1,727.47)
Foreign exchange fluctuation loss unrealised (net)	2,586.92	3,922.46
<b>Operating cash flow before working capital changes</b>	<b>82,677.91</b>	<b>73,251.65</b>
<b>Changes in working capital</b>		
Decrease/(increase) in inventories	14,748.72	(139,416.88)
Increase in trade receivables	(242,375.30)	(10,627.34)
Increase in financial and other assets	(4,033.41)	(51,707.35)
(Decrease)/increase in trade payables and other current liabilities	(74,426.45)	132,807.79
Decrease in provisions	(523.43)	(143.48)
<b>Cash generated from/(used in) operating activities</b>	<b>(223,931.96)</b>	<b>4,164.39</b>
Less: Income taxes paid (net of refunds)	(13,735.33)	(8,552.21)
<b>Net cash used in operating activities (A)</b>	<b>(237,667.29)</b>	<b>(4,387.82)</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	37.73	38.40
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(43,618.36)	(62,022.19)
Purchase of business	(53,700.00)	-
Investments in current investments - mutual funds	(440,021.35)	(537,889.63)
Proceeds from sale of current investments - mutual funds	495,150.85	495,731.47
Interest received	891.16	326.12
Investment in deposits with maturity of more than three months	(610.42)	(6,062.09)
<b>Net cash used in investing activities (B)</b>	<b>(41,870.39)</b>	<b>(109,877.92)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of share capital	97,506.79	-
Proceeds from non-current borrowings	43,921.48	57,247.95
Repayment of non-current borrowings	(18,217.42)	(6,611.19)
Proceeds from current borrowings	1,449,982.82	568,106.27
Repayment of current borrowings	(1,321,402.61)	(455,856.89)
Interest paid	(21,734.06)	(3,988.75)
<b>Net cash generated from financing activities (C)</b>	<b>230,057.00</b>	<b>158,897.39</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(49,480.68)</b>	<b>44,631.65</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>53,784.10</b>	<b>9,152.45</b>
<b>Cash and cash equivalents at the end of the year (refer Note 9(a))</b>	<b>4,303.42</b>	<b>53,784.10</b>

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

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

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023



# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (a) Equity share capital

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	575,450,000	57,545.00	5,754,500	57,545.00
Shares issued during the year	239,047,619	23,904.76	-	-
Changes in equity share capital during the year	-	-	569,695,500	-
<b>Balance at the end of the year</b>	<b>814,497,619</b>	<b>81,449.76</b>	<b>575,450,000</b>	<b>57,545.00</b>

## (b) Other equity

Particulars	As at 31 <sup>st</sup> March 2023				As at 31 <sup>st</sup> March 2022	
	Retained earnings	Securities premium	Share option outstanding reserve	Total other equity	Retained earnings	Total other equity
Balance at the beginning of the year	165,030.92	-	-	165,030.92	125,293.06	125,293.06
Profit for the year	30,368.74	-	-	30,368.74	39,784.20	39,784.20
Premium received on issue of shares during the year	-	73,404.20	-	73,404.20	-	-
ESOP reserve	-	-	197.83	197.83	-	-
Other comprehensive income for the year*	69.10	-	-	69.10	(46.34)	(46.34)
<b>Total for the year</b>	<b>30,437.84</b>	<b>73,404.20</b>	<b>197.83</b>	<b>104,039.87</b>	<b>39,737.86</b>	<b>39,737.86</b>
<b>Balance at the end of the reporting year</b>	<b>195,468.76</b>	<b>73,404.20</b>	<b>197.83</b>	<b>269,070.79</b>	<b>165,030.92</b>	<b>165,030.92</b>

\* Other comprehensive income included under retained earnings represents remeasurement of defined benefit plans (net of tax).

Refer note 13 for details on the nature and purpose of the reserve

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

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## CORPORATE AND GENERAL INFORMATION

Paradeep Phosphates Limited ('the Company') is a public company domiciled and headquartered in Bhubaneswar, India. Zuari Agro Chemicals Limited (ZACL) holds 28.05% of equity shares of Paradeep Phosphates Limited ('the Company') through its joint venture Zuari Maroc Phosphates Private Limited (ZMPPL) and is its largest shareholder alongwith OCP S.A.. PPL and ZACL have certain directors in common. It is incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacture of Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades, and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District Jagatsinghpur, Odisha and at Zuari Nagar, Goa. The Company is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. The Company caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers. The Company has one associate incorporated in Myanmar under the name of Zuari Yoma Agri Solutions Limited.

### 1. Basis of preparation

- (a) These financial statements are prepared in accordance with Indian Accounting Standards (IND AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values notified under the provisions of the Companies Act 2013 ("the Act") to the extent applicable. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting Standards), Rule, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied to all the years except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

- (b) These Standalone Financial Statements are presented in Indian Rupees ("₹"), which is also the Company's functional and presentation currency. All amounts have been rounded off to the nearest Lakhs, unless otherwise indicated.

### 2. Significant accounting policies

#### (i) Classification of assets and liabilities into current/non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realised within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

#### (ii) Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, taxes, borrowing costs, if recognition criteria are met, and any directly attributable cost incurred to bring the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Replaced assets held for disposal are stated at lower of their carrying





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

amount and fair value less costs to sell, and depreciation on such assets ceases and shown under "Assets held for sale".

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### **Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalised. Other indirect expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period, if any, is deducted from the total of the indirect expenditure.

### **(iii) Depreciation on property, plant and equipment**

- a. Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the Management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful life to provide depreciation on its property, plant and equipment based on technical evaluation done.

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

\* Useful lives are different to the lives prescribed under Schedule II to the Companies Act, 2013.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. These are estimated by the management supported by independent assessment by professionals.

The Company has used the following useful life to provide depreciation on its property, plant and equipment relating Goa plant acquired as on 1 June 2022 based on technical evaluation done.

<b>Class of Assets</b>	<b>Useful Lives estimated by the management (Years)</b>
Buildings	11 to 43
Plants and equipments	More than 1 and upto 25
Furniture, Fixtures & fittings	More than 1 and upto 10
Vehicles	More than 1 and upto 10
Office equipments	More than 1 and upto 6
Railway siding	3 to 30

- b. Premium on land held on leasehold basis considered as Right of Use Asset is amortised over the period of lease.
- c. The classification of plant and machinery into continuous and non-continuous process is done as per technical certification by the management and depreciation thereon is provided accordingly.
- d. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **(iv) Intangible assets and amortisation**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at the end of each reporting period. If the expected useful life of

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

the asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The following are the acquired intangible assets:

Software:

The management of the Company assessed the useful life of software as finite and cost of software is amortised over their estimated useful life of three years on straight line basis.

## (v) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset (except inventories and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## (vi) Leases

At inception of the contract, the Company

assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset, whether specified explicitly or implicitly;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Company has right to direct the use of the asset by either having right to operate the asset or the Company having designed the asset in a way that predetermines how and for what purpose it will be used.

## Accounting as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The estimates of useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has elected not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on straight line basis over the lease term.

## (vii) Foreign currency transactions

### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is Company's functional and presentation currency.

### (b) Initial recognition

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction.

### (c) Conversion

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial recognition.

### (d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and

loss.

## (viii) Derivative financial instruments

### *Initial recognition and subsequent measurement*

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

## (ix) Fair value measurement

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any. At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics

and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

## (x) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### Initial recognition and measurement:

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables are measured at transaction price in accordance with Ind AS 115.

#### Subsequent measurement:

##### *Financial assets being debt instruments:*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit and loss (FVTPL).

Debt instruments at amortised cost:

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI:

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL:**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of Financial Assets:**

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## Financial Liabilities

### **Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

### **Subsequent Measurement:**

The measurement of financial liabilities depends on their classification, as described below:

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are

substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **(xi) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### **(xii) Inventories**

- i. Inventories are valued at the lower of cost and net realizable value.
- ii. The cost is determined as follows:
  - (a) Raw Materials, Stores, Spare Parts, Chemical, Fuel Oil and Packing Materials: Weighted average method
  - (b) Intermediaries: Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity
  - (c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity including Excise Duty
  - (d) Traded goods: Weighted average method
- iii. By-products such as treated gypsum are measured at net realizable value, adjusted against the cost of main product.
- iv. Net realizable value is the estimated selling price including applicable subsidy in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.
- v. Materials and other items held for use in



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

## (xiii) Borrowing cost

Borrowing costs include interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## (xiv) Revenue Recognition

The Company earns revenue primarily from sale of fertilisers. The following specific criteria must also be met before revenue is recognised:

### Sale of goods

At contract inception, Company assess the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods which is usually dispatch/delivery of goods, based on

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

### Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (x) to significant accounting policies on Financial instruments – initial recognition and subsequent measurement.

#### Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### Subsidy income

Concessions in respect of Urea as notified under the New Pricing Scheme is recognised with adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for DAP, Muriate of Potash (MOP) and Complex Fertilizers are recognised as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time, where there is reasonable assurance of complying with the conditions of the policy.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Subsidy on freight charges for DAP, MOP and Complex Fertilizers is recognised based on rates notified by the Government of India with the known policy parameters in this regard and included in subsidy.

## Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable EIR. Claims receivable on account of interest from dealers on delayed payments are accounted for to the extent the Company is reasonably certain of their ultimate collection.

## Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

## Insurance claims

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

## (xv) Government grants and subsidies

Grants and subsidies [other than subsidy income considered in point (xiv) above] from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs,

which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

## (xvi) Employee benefits

### Share-based payments

Share-based compensation benefits are provided to employees via PPL Employees Stock Option Plan 2021 ("ESOP 2021"). The fair value of the options granted under ESOP 2021 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

### Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### Defined Contribution Plan

Retirement benefit in the form of contribution to pension fund, superannuation fund and national pension scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to these schemes. The Company recognises contribution payable



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

to these fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

## Defined Benefit Plans

- i) Liability for Gratuity and Post Retirement Medical Benefits are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan and post employment medical benefit plan has been funded by policy taken from Life Insurance Corporation of India.
- ii) Liability for Provident fund is provided for on the basis of actuarial valuation carried at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are

not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

## Other long term benefits

Liability for accumulated compensated absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The Company measures the expected cost of accumulated compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose.

## (xvii) Income tax

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### (xviii) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

### (xix) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

### (xx) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. A contingent liability is also a present obligation that arises from past events but outflow of resources embodying economic benefits is not probable.

### (xxi) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

### (xxii) Business combinations

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

## (xxiii) Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

## 3A. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates

and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The changes in estimates are made as the management becomes aware of such changes. The changes in estimates are recognised in the period in which the estimates are revised.

### i) Defined benefit plans

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 32.

### ii) Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date. Refer Note 4(a).

### iii) Fair value measurement of financial instruments.

Refer Note 34 for information about fair value measurement.

### iv) Revenue recognition

The Company provides various rebates and incentives to the customers. In estimating the same, the Company is required to use either the expected value method or the most likely

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

method. The Company determined that the expected value method is the appropriate method for determining estimates to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical experience and business forecast and current market conditions. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value thereof.

- v) Fair value of assets and liabilities acquired on business combination

Refer Note 44 for information about fair values of assets and liabilities acquired on business combination.

- vi) Provisions and contingencies

Refer Note 29 for key assumptions about likelihood and magnitude of an outflow of economic resources in relation to recognition and measurement of contingent liabilities.

### 3B. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31<sup>st</sup> March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 4(a) : Property, plant and equipment

### Reconciliation of carrying amount

	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equip- ments	Railway siding	Total (A)
<b>Balance as at 1<sup>st</sup> April 2021</b>	39.84	584.90	39,617.10	660.37	115,081.08	395.72	472.04	932.81	657.92	<b>158,441.78</b>
Additions during the year	-	-	322.16	337.23	12,228.28	26.60	108.38	107.82	188.92	<b>13,319.39</b>
Disposals/ discard during the year	-	-	6.82	-	1,586.82	9.39	56.93	25.83	-	<b>1,685.79</b>
Adjustment (refer note 4 below)	-	-	-	-	488.37	-	-	-	-	<b>488.37</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>39.84</b>	<b>584.90</b>	<b>39,932.44</b>	<b>997.60</b>	<b>126,210.91</b>	<b>412.93</b>	<b>523.49</b>	<b>1,014.80</b>	<b>846.84</b>	<b>170,563.75</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	39.84	584.90	39,932.44	997.60	126,210.91	412.93	523.49	1,014.80	846.84	<b>170,563.75</b>
Additions during the year	-	-	89.23	9.77	22,341.37	41.56	231.74	233.20	197.49	<b>23,144.36</b>
Adjustment on account of business acquisition (refer Note 44)	-	43,240.00	5,066.10	-	96,325.25	63.80	201.56	379.36	1,687.69	<b>146,963.76</b>
Disposals/ discard during the year	-	-	-	-	2,062.01	9.33	87.86	14.37	0.67	<b>2,174.24</b>
Adjustment (refer note 4 below)	-	-	-	-	2,348.81	-	-	-	-	<b>2,348.81</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>39.84</b>	<b>43,824.90</b>	<b>45,087.77</b>	<b>1,007.37</b>	<b>245,164.33</b>	<b>508.96</b>	<b>868.93</b>	<b>1,612.99</b>	<b>2,731.35</b>	<b>340,846.44</b>
	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equip- ments	Railway siding	Total (A)
<b>Accumulated depreciation</b>										
<b>Balance as at 1<sup>st</sup> April 2021</b>	2.82	-	4,348.53	187.10	30,369.50	218.87	162.54	506.23	135.77	<b>35,931.36</b>
Charge for the year	0.44	-	1,385.13	112.30	7,271.65	40.93	58.74	108.74	38.95	<b>9,016.88</b>
Deductions	-	-	1.74	-	304.57	6.06	22.75	23.21	-	<b>358.33</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>3.26</b>	<b>-</b>	<b>5,731.92</b>	<b>299.40</b>	<b>37,336.58</b>	<b>253.74</b>	<b>198.53</b>	<b>591.76</b>	<b>174.72</b>	<b>44,589.91</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	3.26	-	5,731.92	299.40	37,336.58	253.74	198.53	591.76	174.72	<b>44,589.91</b>
Charge for the year	0.44	-	1,568.83	148.16	14,999.34	70.35	124.50	276.73	122.48	<b>17,310.83</b>
Deductions	-	-	-	-	564.38	8.04	42.27	10.62	-	<b>625.31</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>3.70</b>	<b>-</b>	<b>7,300.75</b>	<b>447.56</b>	<b>51,771.54</b>	<b>316.05</b>	<b>280.76</b>	<b>857.87</b>	<b>297.20</b>	<b>61,275.43</b>
<b>Net Carrying amount</b>										
Balance as at 31 <sup>st</sup> March 2022	36.58	584.90	34,200.52	698.20	88,874.33	159.19	324.96	423.04	672.12	125,973.84
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>36.14</b>	<b>43,824.90</b>	<b>37,787.02</b>	<b>559.81</b>	<b>193,392.79</b>	<b>192.91</b>	<b>588.17</b>	<b>755.12</b>	<b>2,434.15</b>	<b>279,571.01</b>

\* Company is in the process of executing conveyance deed / patta for land measuring 178.06 acres amounting to ₹27.94 Lakhs

Item of Balance Sheet	Description of Item	Gross Carrying Value	Title deed in favour of	If in the name of director etc.	Property held since	Reason of not being held in the name of the company
Property, Plant and equipment	Freehold land	27.94	NA	NA	1982-85	Delay on account of administrative formalities

### Notes:

- 1) Refer Note 14(a) and 14(c) relating to borrowings in respect of property, plant and equipment provided as security against those borrowings.
- 2) Refer Note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 3) Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation rate relating to general borrowings was at 7.88% (31<sup>st</sup> March 2022: 7.22%).
- 4) Adjustments include adjustment on account of borrowing costs and foreign exchange fluctuations.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## 4(b) Capital work-in-progress

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Opening balance	33,629.46	22,005.97
Add: Addition during the year	48,557.23	25,431.25
Adjustment: on account of business acquisition (refer Note 44)	12,992.80	-
Less: Capitalisation during the year	25,493.17	13,807.76
Closing balance	<b>69,686.32</b>	<b>33,629.46</b>

Closing balance includes other direct capital expenditure (pending allocation) ₹ 4,685.65 (31<sup>st</sup> March 2022: ₹ 3,244.34).

## CWIP Ageing Schedule

### As at 31<sup>st</sup> March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	49,585.20	14,013.52	3,100.90	2,986.70	69,686.32
Projects temporarily suspended	-	-	-	-	-

### As at 31<sup>st</sup> March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	15,885.33	7,699.53	5,449.42	4,595.18	33,629.46
Projects temporarily suspended	-	-	-	-	-

**Details of projects forming part of CWIP and which have become overdue compared to their original plans or where cost is exceeded compared to original plans**

### As at 31<sup>st</sup> March 2023

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
4 <sup>th</sup> Evaporator of Phosphoric acid plant	5,946.09	-	-	-
Phosphoric acid plant expansion	17,941.93	-	-	-
Sulphuric acid plant	-	12,137.28	-	-

### As at 31<sup>st</sup> March 2022

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
DAP Revamp	8,514.07	-	-	-
4 <sup>th</sup> Evaporator of Phosphoric acid plant	4,779.88	-	-	-
Phosphoric Acid Plant Expansion	10,533.04	-	-	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## 4(c) Right of use assets

Particulars	Right of use building	Right of use Land	Total Right of use assets
<b>As at 1<sup>st</sup> April 2022</b>	-	-	-
<b>Adjustments-on account of business acquisition (refer Note 44)</b>	<b>112.61</b>	<b>1,384.83</b>	<b>1,497.44</b>
Additions	112.44	125.11	237.55
<b>Total</b>	<b>225.05</b>	<b>1,509.94</b>	<b>1,734.99</b>
<b>Depreciation</b>			
<b>As at 1<sup>st</sup> April 2022</b>	-	-	-
Charge for the year	18.06	97.66	115.72
<b>Total</b>	<b>18.06</b>	<b>97.66</b>	<b>115.72</b>
<b>Net block</b>			
<b>As at 31<sup>st</sup> March 2023</b>	<b>206.99</b>	<b>1,412.28</b>	<b>1,619.27</b>

## 4(d) Intangible assets

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	Computer Software	Computer Software
<b>Gross block</b>		
Balance as at beginning of the year	425.88	421.36
Additions during the year	104.24	4.52
Disposals/discard during the year	-	-
Adjustments - on account of business acquisition (refer Note 44)	76.13	-
<b>Balance as at end of the year</b>	<b>606.25</b>	<b>425.88</b>
<b>Amortisation</b>		
Balance as at beginning of the year	339.65	310.81
Amortisation for the year	88.76	28.84
Deductions	-	-
Adjustments	-	-
<b>Balance as at end of the year</b>	<b>428.41</b>	<b>339.65</b>
<b>Net carrying amount as at end of the year</b>	<b>177.84</b>	<b>86.23</b>

## Note 5(a): Investment in associate

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Investment in associate</b>		
Unquoted investment in equity share at cost	365.61	365.61
512,500 (31 <sup>st</sup> March 2022: 512,500) ordinary shares of USD 1 each fully paid up of Zuari Yoma Agri Solutions Limited		
<b>Net investment in associate</b>	<b>365.61</b>	<b>365.61</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 5(b): Investments

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of units	Amount	No. of units	Amount
<b>Mutual fund investments at fair value through profit or loss (unquoted)</b>				
Aditya Birla Money Manager Fund-direct	-	-	3,181,226.54	9,509.02
Axis Money Market Fund - Direct Plan	-	-	781,880.89	9,005.59
Nippon India Money Market Fund - Direct Growth Plan Growth Option	-	-	403,202.90	13,509.57
HDFC Mutual Fund - Money Market -Direct Growth	-	-	107,466.46	5,002.35
Kotak Mutual Fund - Money Market Fund	-	-	234,859.14	8,503.57
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	3,097,497.25	9,506.04
<b>Total investments</b>		-		<b>55,036.14</b>

## Note 6: Other Non Current Assets and Current Assets

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
Capital advances				
Related parties (refer Note 33)	1,124.19	-	112,656.46	-
Others	3,754.15	-	4,798.38	-
Advance to vendors:				
Related parties (refer Note 33)	-	150.53	-	1.34
Others	-	2,850.22	-	2,636.66
Less: Loss allowance	-	(32.00)	-	(32.00)
Claims receivable	218.28	2,902.37	218.28	1,620.11
Less: Loss allowance	(218.28)	-	(218.28)	-
Balance with statutory / government authorities	-	52,482.32	-	36,682.67
Prepaid expenses	7.16	2,218.14	64.40	1,423.94
Sales tax & entry tax deposits	8.01	3,050.98	8.01	2,596.52
Less: Loss allowance	(8.01)	-	(8.01)	-
Other deposits				
Related parties (refer Note 33)	89.32	-	42.00	-
Others*	925.22	425.80	715.29	151.15
<b>Total other assets</b>	<b>5,900.04</b>	<b>64,048.36</b>	<b>118,276.53</b>	<b>45,080.39</b>

\* Includes primarily deposits with vendors, service providers etc.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 7: Inventories

(Valued at the lower of cost and net realisable value)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw materials	105,702.78	137,959.00
Finished goods	80,537.48	24,941.42
Traded goods	2,708.37	35,650.63
Intermediates (work in progress)	9,373.92	10,991.95
Stores, spare parts, chemical and fuel oil	11,595.81	5,604.36
Packing materials	647.67	990.96
By-Products	13,201.69	13,183.92
<b>Total inventories</b>	<b>223,767.72</b>	<b>229,322.24</b>

### Note:

- Inventories are pledged against the borrowings as further explained in Note 14(a) and 14(c).
- The cost of inventories recognised as expense includes ₹2,721.52 (31<sup>st</sup> March 2022: Nil) in respect of write down of inventories to net realisable value.
- Inventories includes inventories in transit as at the balance sheet date as under:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw materials	44,355.69	69,359.06
Finished goods	22,698.02	7,630.77
Traded goods	-	34,984.38
Stores and spare parts	1,719.00	1,000.67
<b>Total inventories in transit</b>	<b>68,772.71</b>	<b>112,974.88</b>

## Note 8: Trade receivables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade receivables considered good - secured	4,922.03	105.28
Trade receivables - unsecured*	354,630.88	92,154.68
From related parties (refer Note 33)		
Trade receivables considered good - unsecured	15,171.71	2,502.61
<b>Total trade receivables</b>	<b>374,724.62</b>	<b>94,762.57</b>
Less: Loss allowance	(5,750.87)	(4,515.03)
<b>Net trade receivables (refer note 'a' below)</b>	<b>368,973.75</b>	<b>90,247.54</b>

Trade receivables are carried at amortised cost which are a reasonable approximation of their fair value.

### \* Trade receivables - unsecured

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade receivable considered good	351,178.01	89,750.76
Trade receivables - which have significant increase in credit risk	3,452.87	2,403.92
<b>Total trade receivables unsecured</b>	<b>354,630.88</b>	<b>92,154.68</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- Includes subsidy receivable from the Government of India amounting to ₹ 306,937.59 (31<sup>st</sup> March 2022: ₹ 87,555.69)
- Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 14(a) and 14(c).
- Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35.

## Trade Receivable ageing schedule:

As at 31<sup>st</sup> March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables - considered good	293,117.22	59,231.82	1,596.19	2,401.62	1,527.54	8,037.84	365,912.23
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	5,359.52	5,359.52
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	902.72	165.43	2,384.72	3,452.87
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Gross trade receivable							374,724.62

As at 31<sup>st</sup> March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables - considered good	71,558.30	8,666.24	254.46	1,376.02	688.82	4,455.29	86,999.13
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	5,359.52	5,359.52
(v) Disputed Trade receivables - which have significant increase in credit risk	-	484.74	-	244.22	145.43	1,529.53	2,403.92
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Gross trade receivable							94,762.57



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 9(a): Cash and cash equivalents

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Balances with banks		
- On current accounts	23.46	26.23
- On cash credit accounts	4,279.76	3,583.16
- Deposit with original maturity of less than three months	-	50,174.52
Cash on hand	0.20	0.19
<b>Total cash and cash equivalents</b>	<b>4,303.42</b>	<b>53,784.10</b>

## Note 9(b): Bank balances other than above

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
- Deposits with banks with original maturity of more than three months and less than twelve months*	6,681.98	5,987.37
<b>Total bank balances other than above</b>	<b>6,681.98</b>	<b>5,987.37</b>

Bank balances other than above are carried at amortised cost which are a reasonable approximation of their fair value.

\*Pledged with Executive Engineer, Mahanadi South Division as security deposit ₹185.55 (31<sup>st</sup> March 2022: ₹343.89), against bank guarantee issued in favour of Regional Director, ESI Corporation, bhubaneswar ₹5.51 (31<sup>st</sup> March 2022: ₹ 5.00), against bank guarantee issued in favour of East Coast Railway : nil (31<sup>st</sup> March 2022: ₹291.16), cash margin fixed deposit issued against usance LC for supply of imported raw materials, capex and repayment of long term loan: ₹ 6,490.92 (31<sup>st</sup> March 2022: ₹5,347.32).

## Note 10: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Derivative instruments at fair value through profit or loss</b>				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	-	453.37
<b>Other financial asset at amortised cost*</b>				
Claims receivable:				
Related parties (refer Note 33)	-	32,556.51	-	32,583.56
Others	209.79	31.40	209.79	449.24
Less: Loss allowance	(209.79)	-	(209.79)	-
Interest receivable on deposits, receivables, etc.:				
Related parties (refer Note 33)	-	55.63	-	-
Others	-	71.05	-	31.34
Receivables from Gas pool operator	-	961.03	-	-
Other receivable				
Related parties (refer Note 33)	-	42.65	-	326.85
<b>Total other financial assets</b>	<b>-</b>	<b>33,718.27</b>	<b>-</b>	<b>33,844.36</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 11: Assets classified as held for sale

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Discarded property, plant and equipment	23.26	23.96
<b>Total assets classified as held for sale</b>	<b>23.26</b>	<b>23.96</b>

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

## Note 12: Equity share capital

### (a) Details of authorised, issued, subscribed and fully paid up share capital:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Authorised share capital</b>		
900,000,000 (31 <sup>st</sup> March 2022: 900,000,000) equity shares of ₹ 10 each (31 <sup>st</sup> March 2022: ₹ 10 each)	90,000.00	90,000.00
10,000,000 (31 <sup>st</sup> March 2022: 10,000,000) 7% Non cumulative Redeemable preference shares of ₹ 100/- each (31 <sup>st</sup> March 2022: ₹100 each)	10,000.00	10,000.00
<b>Total authorised share capital</b>	<b>100,000.00</b>	<b>100,000.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
814,497,619 (31 <sup>st</sup> March 2022: 575,450,000) equity shares of ₹ 10 (31 <sup>st</sup> March 2022: ₹10) each fully paid	81,449.76	57,545.00
<b>Total equity share capital</b>	<b>81,449.76</b>	<b>57,545.00</b>

### (b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
Balance at the beginning of the year	57,54,50,000	57,545.00	57,54,500	57,545.00
Changes during the year	23,90,47,619	23,904.76	56,96,95,500	-
Balance at the end of the year	81,44,97,619	81,449.76	57,54,50,000	57,545.00

### (c) Terms/ rights attached to equity shares:

- 1) The Company has only one class of equity share having par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.
- 2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the respective shareholders.

### (d) Shares held by holding company are as below:

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
<b>Name of shareholder</b>				
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as Zuari Maroc Phosphates Limited (ZMPL))	45,69,42,507	45,694.25	46,29,61,000	46,296.10





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (e) Details of equity shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.10%	46,29,61,000	80.45%
President of India - Government of India (GOI)	-	-	11,24,89,000	19.55%
SBI Multicap Fund	4,76,68,663	5.85%		

(f) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(g) As per records of the company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

## (h) Stock option schemes

Information relating to Employee Stock Option Plan, including details of options granted and lapsed during the financial year and options outstanding at the end of the reporting period is set out in Note 42(a).

## (i) Details of shareholding of promoters:

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		Reduction of shareholding % of change	As at 31 <sup>st</sup> March 2022	
	Number of equity shares	% of total shares in the class		Number of equity shares	% of total shares in the class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.10%	24.35%	46,29,61,000	80.45%
President of India - Government of India (GOI)	-	-		11,24,89,000	19.55%

# There is a reduction of 24.35% of shareholdings by the promoters during the year (no change in 2021-22).

## Note 13: Other equity

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Retained earnings	195,468.76	165,030.92
- Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/ loss of defined benefit plans.		
Securities premium	73,404.20	-
- Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.		
Share option outstanding reserve	197.83	-
- This reserve relates to stock options granted by the company to eligible employees under PPL Employees Stock Option Plan 2021 ("ESOP 2021"). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.		
<b>Total other equity</b>	<b>269,070.79</b>	<b>165,030.92</b>

Refer standalone statement of changes in equity for movement in retained earnings during the years.

## Proposed dividend on equity shares not recognised as liability \*

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Proposed final dividend	4,072.49	-

The Board of Directors has recommended a dividend of 5% i.e. ₹0.50 per equity share of ₹10 each fully paid up.

\* Proposed dividend on equity shares is subject to approval of shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 14(a): Non-Current Borrowings

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current Maturities	Non-current	Current Maturities
<b>Secured</b>				
Rupee term loan from banks	61,188.79	35,893.02	52,817.08	16,769.79
Amount of current maturities disclosed under the head "current borrowings" (refer note 14(c))	-	(35,893.02)	-	(16,769.79)
<b>Total non-current borrowings</b>	<b>61,188.79</b>	<b>-</b>	<b>52,817.08</b>	<b>-</b>

Non-Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

### Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets.	Repayable in 20 quarterly instalments commenced from 31 <sup>st</sup> December 2018, of which first 8 quarterly instalments are of ₹ 500.00, next 4 quarterly instalments of ₹ 1,000.00 and remaining 8 quarterly instalments of ₹ 1,500.00	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.00% 8.35%
Rupee term loan from- Bank of India	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets.	Repayable in 16 quarterly instalments of ₹ 1,337.50 commencing from 30 <sup>th</sup> September 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	7.75% 7.55%
Rupee term loan from Axis Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 7 quarterly instalments of ₹ 2,698.00 commencing from 4 <sup>th</sup> April 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.30% -
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 16 quarterly instalments of ₹ 937.50 commencing from 31 <sup>st</sup> March 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	10.35% 8.20%
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of movable properties	Repayable in 10 quarterly instalments of ₹ 1,500.00 commencing from 31 <sup>st</sup> March 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.75% 7.25%
Rupee term loan from- SBI	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 850.00 commencing from 1 <sup>st</sup> October 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.85% 9.00%

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- HDFC	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 650.00 commencing from 1 <sup>st</sup> September 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.00% -
Rupee term loan from- Indian Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 325.00 commencing from 1 <sup>st</sup> December 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.85% -
Rupee term loan from- Canara Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 1,640.00 commencing from 1 <sup>st</sup> January 2025.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.90% -

## Note 14(b): Lease Liabilities

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
Lease Liabilities*	1,603.78	77.32	-	-
<b>Total non-current borrowings</b>	<b>1,603.78</b>	<b>77.32</b>	<b>-</b>	<b>-</b>

\* Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 <sup>st</sup> March 2023
<b>Opening</b>	-
<b>Adjustments-on account of business acquisition (refer Note 44)</b>	1,444.10
Additions	285.79
<b>Accretion of interest</b>	98.16
Payments	(146.95)
<b>Closing</b>	<b>1,681.10</b>

The effective interest rate for lease liabilities is 7.43%, with maturity between 2022-2048.

## Maturity profile of lease liability

Ageing	Total rent payments	Interest payment	Net Amount
Less than 1 year	199.60	122.28	<b>77.32</b>
1-3 years	622.43	327.41	<b>295.02</b>
3-5 years	431.75	176.80	<b>254.95</b>
> 5 years	1,838.07	784.26	<b>1,053.81</b>
<b>Total</b>	<b>3,091.85</b>	<b>1,410.75</b>	<b>1,681.10</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 14(c): Current Borrowings

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>From banks:</b>		
<b><u>Secured</u></b>		
<b>Loans repayable on demand</b>		
Cash credit	-	16.64
<b>Other loans</b>		
Working capital demand loan	80,016.30	-
Buyer's credit	124,943.60	132,502.88
Supplier's credit	133,900.61	67,323.18
Local bills discounted with bank	19,981.32	-
Other loans from bank	6,250.00	25,000.00
Current maturity of non-current borrowings	35,893.02	16,769.79
<b><u>Unsecured</u></b>		
Other loans from bank	936.68	1,000.00
<b>Total current borrowings</b>	<b>401,921.53</b>	<b>242,612.49</b>

Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

### Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period	Principal Amount	Effective interest rate
Cash credit (secured)	First charge by way of hypothecation on all current assets and second charge on all immovable & movable properties of the Company (other than certain current assets hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis.	Repayable on demand	31 <sup>st</sup> March 2023	-	8.85%
			31 <sup>st</sup> March 2022	16.64	8.15%
Working capital demand loan (WCDL) (secured)		Repayable over a period of 11 to 91 days	31 <sup>st</sup> March 2023	80,016.30	8.24%
			31 <sup>st</sup> March 2022	-	-
Supplier's credit(secured)/ buyer's credit (secured)	The loan is secured against 100% fixed deposit	Repayable over a period of 7 to 180 days	31 <sup>st</sup> March 2023	258,844.21	6 month LIBOR/SOFR plus 0.25% to 0.75%
			31 <sup>st</sup> March 2022	199,826.06	6 month LIBOR /SOFR plus 0.10% to 0.75%
Local Bills discounted with bank (secured)		Repayable over a period of 91 to 180 days	31 <sup>st</sup> March 2023	19,981.32	8.23%
			31 <sup>st</sup> March 2022	-	-
Others loans (secured)	Unsecured	Repayable over a period of 90 to 180 days	31 <sup>st</sup> March 2023	6,250.00	7.35%
			31 <sup>st</sup> March 2022	25,000.00	4.70%
Others Loans (unsecured)	Unsecured	Repayable on demand	31 <sup>st</sup> March 2023	936.68	7.51%
			31 <sup>st</sup> March 2022	1,000.00	7.51%



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Details of securities as reported in the books vis-à-vis quarterly return:

Particulars of securities	Name of the bank	Quarter	Amount as per books of accounts	Amount as reported in the qtrly return	Amount of difference	Reason of material difference
Inventory	State Bank of India	Jun-22	172,363.84	177,322.02	(4,958.17)	Difference in inventory on
Receivables			268,278.21	268,203.00	75.21	account of
Other Current Assets			52,426.04	60,530.03	(8,103.99)	provisional
<b>Total</b>			<b>493,068.09</b>	<b>506,055.05</b>	<b>(12,986.95)</b>	valuation and non
Inventory	State Bank of India	Sep-22	265,742.23	270,524.02	(4,781.79)	consideration of
Receivables			310,969.30	317,776.46	(6,807.16)	certain items of
Other Current Assets			52,610.33	37,241.41	15,368.92	stores and spares,
<b>Total</b>			<b>629,321.86</b>	<b>625,541.89</b>	<b>3,779.97</b>	Difference in
Inventory	State Bank of India	Dec-22	264,794.51	265,871.95	(1,077.44)	receivables and
Receivables			378,190.83	379,014.19	(823.36)	other assets is on
Other Current Assets			51,494.68	44,632.34	6,862.34	account of setoff/
<b>Total</b>			<b>694,480.02</b>	<b>689,518.47</b>	<b>4,961.55</b>	reclassification of
						current asset and
						current liability.

## Note 15: Other financial liabilities

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Derivatives not designated as hedges</b>				
Foreign-exchange forward contracts	-	1,628.93	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	-	1,628.93	-	-
<b>Other financial liabilities at amortised cost*</b>				
Earnest money/Security deposits				
Others	-	12,804.58	-	3,166.26
Employee related dues	180.42	3,886.71	286.71	2,558.41
Creditors for property, plant and equipments (including retention money from contractors/suppliers)				
Related Parties (refer Note 33)	-	-	-	42.53
Others	-	1,764.38	-	1,740.65
Interest accrued but not due on borrowings	-	2,483.62	-	258.91
Payable against business acquisition (refer Note 33)	-	1,434.89		
<b>Total other financial liabilities at amortised cost</b>	<b>180.42</b>	<b>22,374.18</b>	<b>286.71</b>	<b>7,766.76</b>
<b>Total other financial liabilities</b>	<b>180.42</b>	<b>24,003.11</b>	<b>286.71</b>	<b>7,766.76</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 16: Provisions

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Provision for employee benefits* (refer Note 32)</b>				
Post retirement medical benefits	143.29	11.15	154.91	11.12
Gratuity	465.99	72.09	1,548.14	222.91
Leave salary	-	5,269.33	-	3,832.40
<b>Other provisions (refer Note 'a' below)</b>				
Contractors	1,769.93	-	951.78	-
Others				
- Capital expenditure	-	250.18	-	250.18
- Others	-	3,397.81	-	3,207.96
<b>Total provisions</b>	<b>2,379.21</b>	<b>9,000.56</b>	<b>2,654.83</b>	<b>7,524.57</b>

\* The classification of current/non current for provision for employee benefits has been determined by the actuary of the Company, based upon estimated amount of cash outflow during the next 12 months from the balance sheet date.

### Note a: The movement for "Other provisions" during the year is as follows:

Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset"

#### Capital expenditure

	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Capital Expenditure **	Contractors	Others **	Capital Expenditure **	Contractors	Others **
Opening balance	250.18	951.78	3,207.96	250.18	595.87	3,023.88
Adjustment on account of business acquisition (refer Note 44)	-	829.24	-	-	-	-
Provision made during the year	-	(11.09)	189.85	-	355.91	184.08
	<b>250.18</b>	<b>1,769.93</b>	<b>3,397.81</b>	<b>250.18</b>	<b>951.78</b>	<b>3,207.96</b>

#### \*\* Closing balance includes the following provisions

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Capital Expenditure **	Others **	Capital Expenditure **	Others **
Ground rent (refer note i below)	-	2,876.70	-	2,693.56
Land compensation (including interest) (refer note ii below)	250.18	-	250.18	-
Employees' state insurance (refer note iii below)	-	227.67	-	220.96
Provision for others (freight claims)	-	293.44	-	293.44
	<b>250.18</b>	<b>3,397.81</b>	<b>250.18</b>	<b>3,207.96</b>

- The Land Policy of Port land has been revised as per the Land Policy Guidelines issued by the Ministry of Shipping, Government of India. Pursuant to the said policy and pending outcome of negotiation with Paradeep Port Trust, the Company has made provision towards ground rent, interest and taxes amounting to ₹ 2,876.70 (31<sup>st</sup> March 2022: ₹ 2,693.56) against the demand raised by Paradeep Port Trust.
- In terms of meeting for amicable settlement of dispute the additional compensation to the land losers, under the chairmanship of the Collector and District Magistrate, Jagatsinghpur, it was decided to pay additional compensation at the rate fixed to the claimants through the Special Land Acquisition Officer (Spl. LAO), Government of Odisha. Since the disbursement process to land losers had started in the financial year 2010-11 through Spl. LAO, the Company had accounted for total estimated liability of ₹ 566.01 (including interest of ₹ 418.01) during the financial year 2010-11. The outstanding liability as on 31<sup>st</sup> March 2023 stands at ₹ 250.18 (31<sup>st</sup> March 2022: ₹ 250.18) after making payment to Spl. LAO.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- iii. Employees' State Insurance Corporation (ESIC) raised various demands against the Company in respect of both contract labourers and employees in earlier years, which were contested by the Company in various Courts and Authorities. The Company is continuing with the provision existing in the books as on 31<sup>st</sup> March 2023 as ₹ 227.67 (31<sup>st</sup> March 2022: ₹ 220.96)

## Note 17: Income Tax

### A. Amount recognised in the profit or loss

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current tax expense :</b>		
Current year	9,629.93	13,721.45
Income tax for earlier year	333.15	-
<b>Deferred tax charge / (credit):</b>		
Relating to origination and reversal of temporary differences	2,234.64	(67.54)
<b>Total tax expense</b>	<b>12,197.72</b>	<b>13,653.91</b>

### B. Amount recognised in the Other Comprehensive Income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Deferred tax charge / (credit) to remeasurement of defined benefit liability	23.23	(15.58)

### C. Reconciliation of effective tax rate

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Profit before income tax from continuing operations</b>	42,566.46	53,438.11
Profit before income tax	<b>42,566.46</b>	<b>53,438.11</b>
At India's statutory income tax rate of 25.168%	10,713.13	13,449.30
<b>Tax effects of amount which are not deductible / (taxable) in calculating taxable income -</b>		
CSR expenditure	189.85	142.40
Interest on income tax under Section 220(2) of IT Act 1961	-	(70.63)
Interest under Section 234B/234C	29.56	121.94
Impact of reassessment of Carrying value of assets	141.97	-
On stamp duty	772.63	-
Others	17.43	10.90
<b>Effective tax charge</b>	<b>11,864.57</b>	<b>13,653.91</b>
Add: Tax impact for earlier years	333.15	-
<b>Tax expenses as per the Statement of Profit and Loss</b>	<b>12,197.72</b>	<b>13,653.91</b>

Note: As impact of deferred tax of ₹697.96 on opening 43B items and provision for doubtful debt is adjusted against goodwill, the same is not adjusted with tax expenses of current year.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## D. Movement in Deferred tax balances

	Balance as at 1 <sup>st</sup> April 2022	Recognised in profit or loss	Recognised in OCI	On account of business acquisition	Balance as at 31 <sup>st</sup> March 2023
<b>Deferred tax liabilities</b>					
Property, plant and equipment (including intangible assets)	14,110.91	2,120.72	-	-	16,231.63
On account of statutory dues	641.47	8.87	-	-	650.34
<b>Total deferred income tax liabilities</b>	<b>14,752.38</b>	<b>2,129.59</b>	<b>-</b>	<b>-</b>	<b>16,881.97</b>
<b>Deferred tax assets</b>					
Effect of loss allowance	1,254.25	231.04	-	80.02	1,565.31
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,602.07	(382.22)	(23.23)	617.94	3,814.56
Provision for other liabilities	677.95	46.13	-	-	724.08
<b>Total deferred income tax assets</b>	<b>5,534.27</b>	<b>(105.05)</b>	<b>(23.23)</b>	<b>697.96</b>	<b>6,103.95</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>9,218.11</b>	<b>2,234.64</b>	<b>23.23</b>	<b>(697.96)</b>	<b>10,778.02</b>

## E. Movement in Deferred tax balances

	Balance as at 1 <sup>st</sup> April 2021	Recognised in profit or loss	Recognised in OCI	Balance as at 31 <sup>st</sup> March 2022
<b>Deferred tax liabilities</b>				
Property, plant and equipment (including intangible assets)	13,933.52	177.39	-	14,110.91
On account of statutory dues	641.47	-	-	641.47
<b>Total deferred income tax liabilities</b>	<b>14,574.99</b>	<b>177.39</b>	<b>-</b>	<b>14,752.38</b>
<b>Deferred tax assets</b>				
Effect of loss allowance	993.48	260.77	-	1,254.25
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,646.95	(60.46)	15.58	3,602.07
Provision for other liabilities	633.33	44.62	-	677.95
MAT credit entitlement	-	-	-	-
<b>Total deferred income tax assets</b>	<b>5,273.76</b>	<b>244.93</b>	<b>15.58</b>	<b>5,534.27</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>9,301.23</b>	<b>(67.54)</b>	<b>(15.58)</b>	<b>9,218.11</b>





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 18: Trade payables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Total outstanding dues of micro enterprises and small enterprises	667.47	818.76
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer Note 33)	76,914.70	110,304.81
- Others	113,665.50	116,216.30
	<b>191,247.67</b>	<b>227,339.87</b>

Trade payables are carried at amortised cost which are a reasonable approximation of their fair value.

Trade payables include acceptances from related parties and others amounting to ₹73,453.96 and ₹71,306.69 (31<sup>st</sup> March 2022: ₹ 54,286.38 and ₹ 98,883.61) respectively.

### Note:

Trade payables and acceptances are non-interest bearing and are normally settled on 30 to 180 day terms.

The amount due to Micro and small enterprises as defined under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such suppliers have been identified on the basis of information available with the Company. The details are as under:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
(i) the principal amount remaining unpaid at the end of financial year	667.47	818.76
interest due thereon remaining unpaid to any supplier as at the end of financial year	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of the year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### Trade payable ageing schedule

As at 31<sup>st</sup> March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
(i) MSME	-	667.47	-	-	-	667.47
(ii) Others	4,273.43	168,499.93	1,572.19	196.01	701.74	175,243.30
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	15,336.90	-	-	-	-	15,336.90
<b>Total</b>	<b>19,610.34</b>	<b>169,167.40</b>	<b>1,572.19</b>	<b>196.01</b>	<b>701.74</b>	<b>191,247.67</b>

As at 31<sup>st</sup> March 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
(i) MSME	-	818.76	-	-	-	818.76
(ii) Others	-	215,534.97	535.56	766.19	508.89	217,345.61
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	9,175.50	-	-	-	-	9,175.50
<b>Total</b>	<b>9,175.50</b>	<b>216,353.73</b>	<b>535.56</b>	<b>766.19</b>	<b>508.89</b>	<b>227,339.87</b>

### Note 19: Other current liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Rebate liabilities	2,455.00	2,401.01
Interest on statutory dues	89.13	482.66
Statutory dues	7,891.53	10,733.91
Advance from customers	1,118.84	1,283.27
	<b>11,554.50</b>	<b>14,900.85</b>

### Note 20: Revenue from operations

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Sale of products	476,987.91	387,574.95
Subsidy from the Government of India on fertilizers (refer note (c) below)	856,302.14	397,722.70
Other operating revenues - Export incentive	-	49.27
- Scrap sales	782.14	525.00
<b>Revenue from operations *</b>	<b>1,334,072.19</b>	<b>785,871.92</b>

\* Revenue is net of rebates, discounts and goods and service tax.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (a) Reconciliation of revenue recognised with contract price:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Contract price	1,345,229.04	799,001.12
Adjustment for:		
Variable considerations - rebates	(11,156.85)	(13,129.20)
<b>Revenue from operations</b>	<b>1,334,072.19</b>	<b>785,871.92</b>

## (b) Contract balances

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Contract assets - trade receivables	368,973.75	90,247.54
Contract liabilities - advance from customers	1,118.84	1,283.27

The contract liabilities convert to revenue within one year from the reporting date.

## (c) Subsidy from Government of India on fertilizers:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
On finished goods [including freight subsidy ₹ 30,624.72 (31 <sup>st</sup> March 2022: ₹ 17,659.97)]	827,811.98	355,622.91
On traded goods [including freight subsidy ₹ 1,070.68 (31 <sup>st</sup> March 2022: ₹ 1,949.19)]	28,490.16	42,099.79
	<b>856,302.14</b>	<b>397,722.70</b>

## Note 21: Other income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest income on:		
Bank deposits*	625.39	268.09
Income tax refund	39.02	-
Others*	361.11	31.90
Rent income	304.13	276.23
Loss allowance written back	474.91	758.42
Excess provision/unclaimed balances written back	6,408.08	969.05
Profit on sale of current investments	93.36	635.85
Gain on fair valuation of investments measured at fair value through profit or loss	-	38.13
Miscellaneous income	801.00	949.32
	<b>9,107.00</b>	<b>3,926.99</b>

\* Interest income calculated using effective interest method in relation to financial assets carried at amortised cost.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 22: Cost of raw materials consumed

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Inventory at the beginning of the year	137,959.00	37,928.44
Add: Purchases	1,062,105.55	623,200.05
Add: Adjustment on account of business acquisition (refer Note 44)	3,209.19	-
Less: Inventory at the end of the year	(140,981.86)	(137,959.00)
Less: Traded goods transferred from raw materials	(19,207.63)	(1,631.45)
Add: Traded goods transferred to raw materials	885.27	3,084.25
<b>Cost of raw materials consumed</b>	<b>1,043,969.52</b>	<b>524,622.29</b>

## Note 23: Changes in inventories of finished goods, stock-in-trade and work in progress

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Opening stock</b>		
- Finished goods	24,941.42	13,520.24
- Intermediates (work in progress)	10,991.95	7,158.97
- By-Products	13,183.92	13,138.07
- Traded goods (stock in trade)	35,650.63	13,079.27
<b>Total (A)</b>	<b>84,767.92</b>	<b>46,896.55</b>
<b>Add:- Adjustment on account of business acquisition (refer Note 44)</b>		
- Finished goods	1,742.67	-
- Intermediates (work in progress)	45.39	-
- Traded goods (stock in trade)	65.39	-
<b>Total (B)</b>	<b>1,853.45</b>	<b>-</b>
<b>Less: Closing stock</b>		
- Finished goods	80,537.48	24,941.42
- Intermediates (work in progress)	9,373.92	10,991.95
- By-Products	13,201.69	13,183.92
- Traded goods (stock in trade)	2,708.37	35,650.63
<b>Total (C)</b>	<b>105,821.46</b>	<b>84,767.92</b>
Traded goods transferred from raw materials	(19,207.63)	(1,631.45)
Traded goods transferred to raw materials	885.27	3,084.25
<b>Total (D)</b>	<b>(18,322.36)</b>	<b>1,452.80</b>
<b>(Increase)/ decrease in inventories of finished goods, stock-in trade and work-in-progress (A+B-C-D)</b>	<b>(877.73)</b>	<b>(39,324.17)</b>

## Note 24: Employee benefits expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Salaries, wages and bonus	17,091.03	11,166.86
Contribution to provident and other funds (refer Note 32)	1,256.38	900.75
Gratuity (refer Note 32)	405.20	327.06
Staff welfare expenses	2,369.81	1,455.77
Share based payments (equity settled)	197.83	-
<b>Total employee benefits expense</b>	<b>21,320.25</b>	<b>13,850.44</b>

The Code of Social Security, 2020 ("the Code") relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 25: Finance costs

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest expense on liabilities measured at amortised cost*	19,749.45	1,831.73
Exchange differences to the extent considered as an adjustment to borrowing costs	5,260.88	3,836.98
Bank charges	3,972.26	2,402.77
Interest on income tax	141.66	482.66
<b>Total finance costs</b>	<b>29,124.25</b>	<b>8,554.14</b>

\* Net of amount included in the cost of qualifying assets.

## Note 26: Depreciation and amortisation expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Depreciation of property, plant and equipment (refer Note 4(a))	17,310.39	9,016.44
Amortisation of intangible assets (refer Note 4(d))	88.76	28.84
Amortisation of right of use assets (refer Note 4(a) and 4(c))	116.16	0.44
<b>Total depreciation and amortisation expense</b>	<b>17,515.31</b>	<b>9,045.72</b>

## Note 27: Other expenses

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Consumption of stores and spare parts	4,996.20	3,497.88
Consumption of packing materials	8,989.11	5,304.42
Chemical consumed	3,111.29	2,365.54
Catalysts consumed	525.15	471.75
Payment to contractors for bagging and other services	6,165.52	4,654.62
Power and fuel	62,609.91	7,016.15
Water charges	1,425.18	696.92
Rent [refer note (iii) below]	1,234.38	261.34
Rates and taxes	3,155.89	102.53
Insurance	2,106.21	1,385.93
Repairs and maintenance:	-	-
Plant and machinery	4,872.59	2,710.27
Buildings	659.02	718.02
Others	856.92	691.22
Selling and distribution expenses:	-	-
Freight and handling	48,100.77	30,116.85
Warehouse rent	562.32	333.51
Commission	570.36	811.22
Publicity and sales promotion expenses	1,060.03	780.52
Other selling expenses	391.44	525.21
Travelling and conveyance expenses	959.63	428.46
Professional, consultancy and legal expenses	815.19	462.74
Corporate social responsibility expenditure [refer note (ii) below]	754.32	565.77
Donation	0.75	-
Payment to statutory auditors [refer note (i) below]	142.83	89.26
Exchange differences (net)	8,579.42	5,389.41

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Bad debts, claims and advances written off, net of provision of ₹ 56.55 (31 <sup>st</sup> March 2022: ₹ 301.34)	68.73	10.23
Loss allowance	1,239.90	2,095.78
Loss on sale/discard of property, plant and equipment (net)	1,511.90	1,289.42
Miscellaneous expenses	5,870.05	4,009.23
<b>Total other expenses</b>	<b>171,335.01</b>	<b>76,784.20</b>

### (i) Auditors' remuneration

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
As auditors		
- Statutory audit	55.00	22.00
- Tax audit	8.00	3.00
- Other services	72.62	55.00
Reimbursement of expenses	7.21	9.26
	<b>142.83</b>	<b>89.26</b>

### (ii) Corporate social responsibility

The Company has spent ₹ 669.13 for the year ended 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 565.77) towards various scheme of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. There is an unspent amount of ₹85.27 for the year ended 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: Nil) due to practical and on ground challenges in scaling up the projects. The unspent amount was transferred to the unspent CSR account as is mandated under the Act and is allocated to the ongoing CSR projects. The details are as follows:

Particulars	₹ in Lakhs
a. Gross amount required to be spent by the Company during the year	754.32
b (i). Amount spent during the year on construction /acquisition of any asset	-
b (ii). Amount spent during the year on purpose other than construction/acquisition of any asset is as below:	-
- Skill Development and Livelihood promotion for marginalized households (Farm sector development)	141.03
- Promotion of Healthcare and WASH (Water, Sanitation and Hygiene)	208.85
- Promotion of Quality of Education and Educational Facilities in Villages	159.85
- Promotion of digital literacy programme for unemployed youths and women	29.01
- Promote Environment and Biodiversity (Clean Energy etc.)	31.96
- Promotion of Sports at Villages and School Level	17.49
- Disaster mitigation, Emergency relief support and contingency	21.82
- Women Empowerment	0.98
- Community Asset and Rural infrastructure development	52.63
- Slum Area Development initiatives	5.51
<b>Total</b>	<b>669.13</b>

### (iii) Leases

#### Short-term leases

The Company leases office which are considered to be short-term leases as the agreement is for the period of 12 months and below.

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Expenses relating to short-term leases	1,234.38	261.34
Total cash outflow for leases	1,234.38	261.34

Lease payments for short-term leases not included in the measurement of the lease liability and are classified as cash flows from operating activities.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 28: Earnings per share

### A. Basic and diluted earnings per share

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(i) Profit for the year, attributable to the equity holders of the Company	30,368.74	39,784.20
(ii) Weighted average number of equity shares - Nominal value of shares at ₹10 each ^		
Basic	77,97,86,595	57,54,50,000
Diluted	78,01,38,968	57,54,50,000
(iii) Earnings per share (Basic) [(i)/ (ii)]	3.89	6.91
(Diluted) [(i)/ (ii)]	3.89	6.91

The calculation of basic and diluted weighted average number of shares include impact of shares issued during the year by way of the initial public offer.

## Note 29: Contingent liabilities (to the extent not provided for)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Claims against company not acknowledged as debt</b>		
Subsidy withheld (refer Note (a) below)	5,352.12	5,352.12
Goods and services tax demand (refer Note (b) below)	182.72	1,999.90
Entry tax demand on imported raw materials including interest and penalty	2,909.39	2,909.39
Sales tax/VAT/CST demands (refer Note (c) below)	10,561.64	10,589.33
Central Excise demands for March 2011	234.14	236.91
Service tax demand (refer note (d) below)	88.80	134.59
Custom duty and countervailing duty (refer Note (e) below)	582.44	109.97
Income tax demands	284.33	428.71
Demand towards contribution to Water Conservation Fund	-	2,322.50
Demand under Goa green Cess Act 2013 (refer Note (f) below)	4,291.34	-
Others claims against the Company not acknowledged as debt (refer Note (g) below)	3,868.12	3,308.03

### a) Subsidy withheld

Department of Fertilizer, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to ₹ 5352.12, being the subsidy amount including freight subsidy. The amount has been withheld on the basis of samples collected by the Department from Mundra Port which were reported to be deficient on account of water soluble P2O5 content as per Fertilizer Control Order (FCO) but there was no deficiency as regards to the nutrient content. The Company has represented to the Department of Fertilizers to re-examine the case on the following grounds – (a) Failure is on account of water solubility and not on account of nutrient content. The nutrient content on which the Nutrient Based Subsidy is paid meets the FCO specifications (b) Water Solubility is more than 85% of the total P2O5 (c) All precautions were taken at the load port on having an international recognized inspection agency based on which the goods were shipped and dispatched and (d) The intimation on the original sample failure as well as the referee sample failure were received long after materials were dispatched well beyond the dispatch of the material to various destinations. Based on the revised notification from GOI dated 6<sup>th</sup> February 2017, water soluble P2O5 content of DAP is revised to 39.5% instead of 41%. DAP import for which the amount withheld has water soluble content of 39.53%. Further, vide Notification no 3-9/2008 Fert Law dated 18<sup>th</sup> November 2011 in which Triple Super Phosphate (TSP) with total P2O5 content of 46% and water soluble content of only 36.8% has been allowed to be imported and paid subsidy for 46% of P2O5. Based on above, the Company has made a representation that as per revised notification, water soluble content is as per norms and further permitting a product with same total P2O5 and less water soluble P2O5 as standard and declaring a product imported by the Company with 39.53% as non-standard is not fair. The Company is confident to receive a favorable outcome.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## b) Goods and service tax demand

Demand under GST Act in respect of erroneous refund of GST for the period July 2017 to January 2018 under inverted structure.

- Interest appropriation on Demand raised by CGST, Goa on account of GST refund on services under inverted duty structure from July 2017 to March 2018 towards financial year 2017-18.
- Penalty towards wrongful availment of Transitional credit.

## c) Sales tax/VAT/CST demands

Sales tax/VAT/CST demand includes the following:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
CST demand for the 2005-06 due to rejection of Branch transfers and export sales	10,420.51	10,420.51
VAT demand for the year 2005-06 in Bihar region on account of VAT assessment	37.69	37.69
CST demand for Telangana for non-submission of declaration forms	51.48	51.48
VAT demand for Odisha due to input tax credit mismatch	51.96	51.96
VAT demand for Maharashtra due to input tax credit mismatch	-	1.02
CST demand for Maharashtra for non-submission of declaration forms.	-	26.67
	<b>10,561.64</b>	<b>10,589.33</b>

## d) Service tax demands

Service tax demands include service tax on mediation fee Nil for 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 45.79). Further it also includes service tax demand on water charges paid to State Government for the period 16<sup>th</sup> April to 17<sup>th</sup> June of ₹ 88.80 for 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 88.80).

## e) Custom duty and countervailing duty

- Countervailing Duty (CVD) paid and refund claimed on MOP and Sulphuric Acid, BCD on discount received and Custom duty on demurrage.
- Rejection of transaction value with respect to its import of MOP from unrelated party
- Denial of concessional rate basic custom duty
- Penalty towards denial of concessional rate Counter veiling duty
- Demand for wrongful availment on exemption notification based on SEIS scrips

## f) Green Cess

Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas.

## g) Others claims against the Company not acknowledged as debt

It includes the following:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Penal interest on loan from Government of India, due to delay	344.43	344.43
Industrial dispute and miscellaneous labour cases pending at various forums at different stages of dispute.	493.99	480.11
Interest on water charges due to delay in payments	2,845.49	2,243.65
Others	184.21	239.84
	<b>3,868.12</b>	<b>3,308.03</b>

Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in the above mentioned cases and hence, no provision is considered necessary. The above has been compiled based on the information and records available with the Company.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 30: Commitments

### Capital commitments

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	16,206.88	68,250.97

## Note 31: Segment reporting

### Capital commitments

#### a. Basis of segmentation

The Company's business activity falls within a single primary Operating Segment "Fertilizers and Other Trading Materials", and thus no further disclosures are required in accordance with Indian Accounting Standard (Ind AS)– 10 "Operating Segment".

#### b. Geographic information

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

## Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

### Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1976. The scheme is funded with Life insurance Corporation of India (LIC) in the form of qualifying insurance policy. The Company undertakes all the risk pertaining to the plan.

### Post Retirement medical benefit plan

The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company.

### Provident fund

The Company has set up provident fund trust wherein contributions are made and accordingly the same is considered as a defined benefit plan in accordance with Ind-AS 19, Employee Benefits, wherein provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. During the current year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by the Institute of Actuaries.

#### A. Defined contribution plan:

The amount provided for defined contribution plans are follows:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Pension Scheme	203.07	135.93
Superannuation Fund	195.07	138.82
National Pension Scheme	148.69	87.48
<b>Total</b>	<b>546.83</b>	<b>362.23</b>

#### B. Gratuity and other post-employment benefit plans:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Gratuity Plan - (Liability)	(538.08)	(1,771.05)
Post retirement medical benefits plan - (Liability)	(154.44)	(166.03)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## C. Other long term employee benefits:

The amount provided for during the year is as follows:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Leave encashment	718.01	(361.78)

## D. Reconciliation of the net defined benefit (asset)/ liability

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

### Gratuity plan:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
<b>Balance at the beginning of the year</b>	(5,500.19)	3,729.15	(1,771.05)	(5,577.83)	4,097.26	(1,480.57)
<b>Adjustment on account of business acquisition (refer Note 44)</b>	(1,401.08)	1,196.67	(204.41)	-	-	-
<b>Included in Profit or loss</b>						
Current service cost	(266.52)	-	(266.52)	(228.67)	-	(228.67)
Past service cost	-	-	-	-	-	-
Net interest expense/income	(479.47)	340.79	(138.68)	(370.66)	272.28	(98.39)
	<b>(745.99)</b>	<b>340.79</b>	<b>(405.20)</b>	<b>(599.33)</b>	<b>272.28</b>	<b>(327.06)</b>
<b>Included in OCI</b>						
Return on plan assets (excluding amounts included in net interest expense)	-	(23.93)	(23.93)	-	(25.84)	(25.84)
Actuarial loss (gain) arising from experience adjustment	77.07	-	77.07	(27.97)	-	(27.97)
Changes in financial assumptions	15.82	-	15.82	90.69	-	90.69
Changes in demographic assumptions	-	-	-	-	-	-
	<b>92.89</b>	<b>(23.93)</b>	<b>68.96</b>	<b>62.72</b>	<b>(25.84)</b>	<b>36.88</b>
<b>Others</b>						
Benefits paid	838.46	(838.46)	-	614.55	(614.55)	-
Contributions paid by employer	-	1,771.00	1,771.00	-	-	-
Other adjustments	2.62	-	2.62	(0.30)	-	(0.30)
<b>Balance at the end of the year</b>	<b>(6,713.30)</b>	<b>6,175.21</b>	<b>(538.08)</b>	<b>(5,500.19)</b>	<b>3,729.15</b>	<b>(1,771.05)</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Post retirement medical benefits plan:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
<b>Balance at the beginning of the year</b>	(166.03)	-	(166.03)	(63.05)	-	(63.05)
<b>Included in Profit or loss</b>						
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Net interest expense/income	(11.78)	-	(11.78)	(4.18)	-	(4.18)
	<b>(11.78)</b>	<b>-</b>	<b>(11.78)</b>	<b>(4.18)</b>	<b>-</b>	<b>(4.18)</b>
<b>Included in OCI</b>						
Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-	-	-
Actuarial loss (gain) arising from experience adjustment	18.99	-	18.99	(101.55)	-	(101.55)
Changes in financial assumptions	4.38	-	4.38	6.30	-	6.30
Changes in demographic assumptions	-	-	-	(3.55)	-	(3.55)
	<b>23.37</b>	<b>-</b>	<b>23.37</b>	<b>(98.80)</b>	<b>-</b>	<b>(98.80)</b>
<b>Balance at the end of the year</b>	<b>(154.44)</b>	<b>-</b>	<b>(154.44)</b>	<b>(166.03)</b>	<b>-</b>	<b>(166.03)</b>

## E. Investment pattern in plan assets:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	Gratuity Fund	Gratuity Fund
Investment with insurers	100.00%	100.00%

## F. Economic assumptions

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	%	%
<b>Discount rate:</b>		
Gratuity plan	7.45%	7.10%
Post retirement medical benefits	7.45%	7.10%
<b>Future salary increase:</b>		
Gratuity plan	8% for first two years and 6.50% thereafter	8% for first two years and 6.50% thereafter

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## G. Sensitivity analysis

### Gratuity plan:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Provident Fund	Gratuity Fund	Provident Fund
<b>Assumption: Discount rate</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(369.70)	417.46	(297.02)	332.61
<b>Assumption: Future salary increase</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	311.20	438.32	246.39	(253.94)

### Post retirement medical benefits plan:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Provident Fund	Gratuity Fund	Provident Fund
<b>Assumption: Discount rate</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(11.45)	13.07	(13.01)	14.94

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

## H. Maturity Profile of Defined benefit obligation:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Post retirement medical benefits plan	Gratuity Fund	Post retirement medical benefits plan
Within next 12 months	880.38	11.15	692.26	11.12
Between 2 and 5 years	3,987.37	47.67	3,256.91	48.01
Between 6 and 10 years	2,951.26	64.59	2,698.03	66.30
Beyond 10 Years	4,082.76	160.47	2,518.29	180.80

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting year is 5 years (31<sup>st</sup> March 2022: 6 years).

The Company expects to contribute ₹ 313.88 (31<sup>st</sup> March 2022: ₹ 335.89) and ₹ 642.30 (31<sup>st</sup> March 2022: ₹ 703.43) to gratuity trust and provident fund trust respectively in the next financial year.

## I. Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above defined benefit which are as follows:

Interest rate risk	The present value of defined benefit obligation is determined using the discount rate based on the market yield prevailing at the end of the reporting period on Government Bonds. A decrease in yield will increase the fund liabilities and vice-versa.
Investment Risk	This may arise from volatility in the assets value due to market fluctuation and impairment of assets due to credit losses. These plan assets are invested with LIC - the valuation of which is inversely proportional to the interest rate movements.
Inherent risk	The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Withdrawal risk	Deviations in actual withdrawal than assumed withdrawals and change of withdrawal rates at subsequent valuation can impact plan liability.

## Note 33: Related Party Disclosure

### A. Name of Related Parties

#### Holding Company

Zuari Maroc Phosphates Private Limited

#### Joint Venturer of the Holding Company

Zuari Agro Chemicals Limited

OCP S.A., Morocco

#### Subsidiary of the Joint Venturer of the Holding Company

Mangalore Chemicals and Fertilizers Limited

Zuari FarmHub Limited

#### Party having significant influence

Indian Furniture Products Limited

Zuari Industries Limited

Zuari Management Services Limited

Zuari Insurance Broker Limited

Zuari Infraworld India Limited

Zuari Rotem Speciality Fertilizers Limited

Zuari Indian Oil Tanking Limited

Simon India Limited

Phosphates De Boucraa SA

Pakistan Maroc Phosphore

Jorf Fertilizer SA

Adventz Finance Private Limited

#### Joint Venture of Joint Venturer of the Holding Company

Indo Maroc Phosphare S.A. Morocco

#### Associate of the Company

Zuari Yoma Agri Solutions Limited

#### Key Managerial Personnel

Mr. N. Suresh Krishnan, Managing Director (w.e.f. 16<sup>th</sup> February 2020)

Mr. Ranjit Singh Chugh, Chief Operating Officer (upto 31<sup>st</sup> December 2021)

Mr. Sabaleel Nandy, President & Chief Operating Officer (w.e.f. 1<sup>st</sup> August 2020 upto 31<sup>st</sup> March 2023)

Mr. Sailesh Pati, Chief Financial Officer (upto 10<sup>th</sup> August 2021)

Mr. Bijoy Kumar Biswal, Chief Financial Officer (w.e.f. 31<sup>st</sup> January 2022)

Mr. Sisir Kumar Mishra, Company Secretary (w.e.f. 9<sup>th</sup> August 2019 up to 31<sup>st</sup> August 2020)

Mr. Sachin Patil, Company Secretary (w.e.f. 4<sup>th</sup> November 2020)



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## **Directors**

Mr. S. K. Poddar, Chairman

Mrs. Ghislane Guedira, Director (upto 24<sup>th</sup> May 2021)

Mr. Karim Lotfi Senhadji, Director (w.e.f. 31<sup>st</sup> January 2022)

Mr. Vinay Kumar Pandey, Director – GOI (w.e.f. 20<sup>th</sup> April 2020 upto 29<sup>th</sup> July 2021)

Mr. Ujjwal Kumar, Director (w.e.f. 10<sup>th</sup> November 2021)

Ms. Kiran Dhingra, Independent Director

Mr. Marco P.A. Wadia, Independent Director (upto 18<sup>th</sup> September 2022)

Mr. Satyananda Mishra, Independent Director (w.e.f. 4<sup>th</sup> November 2020)

Mr. Dipankar Chatterji, Independent Director (w.e.f. 3<sup>rd</sup> August 2021)

Mr. Subhrakanta Panda (w.e.f. 31<sup>st</sup> January 2022)

## **Enterprise where Director is interested**

Lionel India Limited

Texmaco Rail & Engineering Limited

## **Employee benefit trust**

PPL Employee's Provident Fund

## **B. Transactions \*:**

Name of Related Party	Sl. No.	Nature of Transactions	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Indo Maroc Phosphare S.A. Morocco	a)	Purchase of raw materials (Phosphoric acid)	219,839.79	136,777.72
	b)	Other expenses (Demurrage Expenses)	64.54	233.04
	c)	Other expenses (Demurrage Written back)	-	0.82
	d)	Other expenses (Claims Written off)	(26.15)	6.58
OCP S.A., Morocco	a)	Purchase of raw materials (Rock phosphate)	146,793.05	84,098.67
	b)	Purchase of raw materials (Phosphoric acid)	19,101.70	25,235.90
	c)	Purchase of stock-in-trade (Imported DAP)	-	25,728.30
	d)	Other expenses (Demurrage expenses)	584.13	100.17
Phosphates De Boucraa S.A	a)	Purchase of raw materials (Rock phosphates)	60,076.25	77,048.68
	b)	Other expenses (Demurrage Expenses)	53.80	11.73
	c)	Interest	-	9.04
Jorf Fertiliser SA	a)	Purchase of stock-in-trade (Imported DAP)	(60.22)	65,317.70
Zuari Agro Chemicals Limited	a)	Sale of fertilizers and high sea sale	7,653.04	1,462.55
	b)	Sale of phosphoric acid and muriate of phosphate	-	29,645.79
	c)	Purchase of raw material for Tolling	3,503.49	5,989.20
	d)	Purchase of stock-in-trade	-	21,108.05
	e)	Other Expenses (Recovery of reimbursement of expenses)	-	2,436.95
	f)	Other expenses (Branding commission)	106.09	207.96
	g)	Other expenses (Exchange gain)	(52.91)	6.94
	h)	Other expenses (power and fuel)	478.42	-
	i)	Other expenses (Demurrage)	16.21	-
	j)	Other expenses (Tolling charges)	642.24	439.99
	k)	Other expenses (Tolling related expenses)	-	6.14

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Name of Related Party	Sl. No.	Nature of Transactions	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
	l)	Other expenses (Rent)	4.00	-
	m)	Interest Charged	55.64	-
	n)	Recovery of expenses	25.64	-
	o)	Purchase of business	168,797.46	-
Zuari Industries Limited	a)	Other expenses (Lease rent)	8.09	-
Zuari FarmHub Limited	a)	Sale of fertilizers	21,091.58	12,219.70
	b)	Other income (amount written back)	2.80	-
	c)	Recovery of expenses	18.22	-
	d)	Other Expenses (Reimbursement of expenses)	-	10.28
Simon India Limited	a)	Purchase of fixed asset	6.17	16.00
	b)	Other income	42.53	-
	c)	Other Expenses (Reimbursement of expenses)	60.14	68.08
Zuari Management Services Limited	a)	Other Expenses (Reimbursement of expenses)	693.24	439.78
	b)	Recovery of expenses	11.94	-
Mangalore Chemicals and Fertilizers Limited	a)	Sale of ammonia and sulphuric acid	3,697.12	912.95
	b)	Other income (Interest income on receivable)	-	1.50
	c)	Other expenses (Branding commission)	-	2.06
	d)	Other Expenses (Reimbursement of expenses)	0.04	0.19
	e)	Recovery of expenses	4.25	-
Lionel India Limited	a)	Other expenses (Purchase of air ticket)	190.09	66.74
Adventz Finance Private Limited	a)	Other Expenses (Rent)	132.29	58.92
	b)	Other Expenses (Recovery of reimbursement of expenses)	8.97	-
	c)	Rent advance	34.20	-
	d)	Security deposit paid	18.00	-
Zuari Indian Oil Tanking Limited	a)	Other Expenses (Reimbursement of expenses)	0.79	-
Zuari Maroc Phosphates Private Limited	a)	Recovery of expenses	1,354.80	270.67
PPL Employee's Provident Fund	a)	Employee benefits expense (Contribution to provident fund)	568.66	558.05
Mr. N Suresh Krishnan	a)	Managerial remuneration	417.61	384.97
Mr. Ranjit Singh Chugh	a)	Remuneration	-	207.13
Mr. Sabaleel Nandy	a)	Remuneration	164.65	131.00
Mr. Sailesh Pati	a)	Remuneration	5.05	41.55
Mr. Bijoy Kumar Biswal	a)	Remuneration	64.47	10.27
Mr. Sisir Kumar Mishra	a)	Remuneration	-	1.58
Mr. Sachin Patil	a)	Remuneration	23.60	13.51
Ms. Kiran Dhingra	a)	Director Sitting Fee	6.45	4.30
Mr. Marco P.A. Wadia	a)	Director Sitting Fee	4.30	4.30
Mr. Satyananda Mishra	a)	Director Sitting Fee	5.90	2.75
Mr. Dipankar Chatterjee	a)	Director Sitting Fee	5.35	1.60
Mr. Subhrakanta Panda	a)	Director Sitting Fee	3.00	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## C. Balance outstanding

Particulars	Sl. No.	Nature of Transactions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Indo Maroc Phosphare S.A. Morocco	a)	Trade payables - Purchase of raw material	51,568.78 Cr	31,641.95 Cr
	b)	Claims receivable	4,862.38 Dr	3,523.59 Dr
OCP S.A., Morocco	a)	Trade Payable - Purchase of raw material	2895.21 Cr	31,498.30 Cr
	b)	Claims receivable	19,551.64 Dr	13,501.95 Dr
	c)	Trade payables - Reimbursement of expenses	38.30 Dr	0.76 Dr
Pakistan Maroc Phosphore SA	a)	Trade payables - Purchase of raw material	9.82 Cr	9.06 Cr
Phosphates De Boucraa S.A	a)	Trade Payables - Purchase of raw material	22,308.56 Cr	12,264.45 Cr
	b)	Claims receivable	8,142.49 Dr	15,309.46 Dr
Jorf Fertiliser SA	a)	Trade Payables - Purchase of raw material	96.22 Cr	88.75 Cr
	b)	Trade Payables - Purchase of traded material	83.19 Dr	34,744.42 Cr
	c)	Claims receivable	-	248.56 Dr
Zuari Yoma Agri Solutions Limited	a)	Investment in associate	365.60 Dr	365.60 Dr
	b)	Other receivable - Reimbursement of expenses	56.18 Dr	56.18 Dr
Zuari Agro Chemicals Limited	a)	Trade receivables - Sale of fertilizers	3,990.46 Dr	-
	b)	Other financial liabilities - payable against business acquisition	1,434.89 Cr	112,632.27 Dr
	c)	Other financial assets - Interest receivables	55.63 Dr	-
	d)	Trade receivable - Reimbursement of expenses	87.86 Cr	-
	e)	Trade payables - Branding commission	106.09 Cr	-
	f)	Trade Payable - Exchange loss	-	-
	g)	Trade receivable - Rent	4.00 Cr	-
	h)	Trade receivables - Recovery of expenses	25.64 Dr	-
	i)	Capital Advance - Advance for Purchase of Land	1,100 Dr	-
Zuari Industries Limited (Erstwhile Zuari Global Limited)	a)	Trade payable - Lease Rent	27.79 Cr	-
Zuari FarmHub Limited	a)	Trade receivables - Sale of Fertilizers	7,535.78 Dr	2,502.61 Dr
	b)	Trade receivable - Recovery of expenses	18.22 Dr	-
Simon India Limited	a)	Capital advance - Purchase of fixed asset	24.19 Dr	24.19 Dr
	b)	Retention money	-	42.53 Cr
	c)	Trade Payable - Reimbursement of expenses	0.46 Dr	0.17 Dr
Zuari Management Services Limited	a)	Trade Payables - Reimbursement of expenses	18.86 Cr	47.48 Cr
Zuari Infraworld India Limited	a)	Advance to vendors - Reimbursement of expenses	1.34 Dr	1.34 Dr
	b)	Trade Payable - Reimbursement of expenses	5.06 Cr	-
	c)	Security deposit	29.32 Dr	-
Mangalore Chemicals and Fertilizers Limited	a)	Advance to vendors - Purchase of fertilizer	114.99 Dr.	-
		Trade Receivables - High sea sale of raw material	3,693.47 Dr	-
	b)	Trade payables - Other expenses	-	0.22 Cr
Lionel India Limited	a)	Trade payables - Purchase of air ticket	0.26 Cr	11.11 Cr
Adventz Finance Private Limited	a)	Security deposit	60.00 Dr	42.00 Dr
	b)	Advance to vendors - rent	34.20 Dr	-





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Sl. No.	Nature of Transactions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Zuari Maroc Phosphates Private Limited	a)	Other payable	13.54 Cr	270.67 Dr
PPL Employee's Provident Fund	a)	Contribution to provident fund	47.32 Cr	46.28 Cr
Mr. N Suresh Krishnan	a)	Managerial remuneration	-	34.29 Cr
Mr. Sabaleel Nandy	a)	Remuneration	12.25 Cr	12.53 Cr
Mr. Bijoy Kumar Biswal	a)	Remuneration	-	5.53 Cr
Mr. Sachin Patil	a)	Remuneration	-	1.51 Cr

## Note 34: Financial instruments - Fair value of financial assets and financial liabilities

### (a) Accounting classifications and fair values:

Particulars	Fair Value Hierarchy	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Derivative financial liabilities	Level 2	1,628.93	-
Investments	Level 2	-	55,036.14
Derivative financial assets	Level 2	-	453.37

Particulars	For the year ended 31 <sup>st</sup> March 2023			For the year ended 31 <sup>st</sup> March 2022		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
<b>Current financial assets</b>						
Trade receivables	-	-	368,973.75	-	-	-
Cash and cash equivalents	-	-	4,303.42	-	-	-
Other bank balances	-	-	6,681.98	-	-	-
Other current financial assets						
Derivative financial asset	-	-	-	-	-	-
Claims receivable	-	-	32,587.91	-	-	-
Interest receivable on deposits, receivables etc	-	-	126.68	-	-	-
Receivables from Gas pool operator			961.03			
Other receivables from related parties	-	-	42.65	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>413,677.42</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	-	61,188.79	-	-	-
Lease liabilities			1,603.78			
Other non-current financial liabilities	-	-	180.42	-	-	-
<b>Current financial liabilities</b>						
Borrowings	-	-	401,921.53	-	-	-
Lease liabilities			77.32			
Trade and other payables	-	-	200,817.27	-	-	-
Derivatives financial liabilities	1,628.93	-	-	-	1,628.93	-
Security deposits	-	-	12,804.58	-	-	-
<b>Total financial liabilities</b>	<b>1,628.93</b>	<b>-</b>	<b>678,593.69</b>	<b>-</b>	<b>1,628.93</b>	<b>-</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2022		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
<b>Current financial assets</b>						
Trade receivables	-	-	90,247.54	-	-	-
Cash and cash equivalents	-	-	53,784.10	-	-	-
Other bank balances	-	-	5,987.37	-	-	-
Other current financial assets						
'Derivative financial assets	453.37	-	-	-	453.37	-
Claims receivable	-	-	33,032.80	-	-	-
Investments	55,036.14	-	-	-	55,036.14	-
Interest receivable on deposits, receivables etc	-	-	31.34	-	-	-
Other receivables from related parties	-	-	326.85	-	-	-
<b>Total financial assets</b>	<b>55,489.51</b>	<b>-</b>	<b>183,410.00</b>	<b>-</b>	<b>55,489.51</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	-	52,817.08	-	-	-
Other non-current financial liabilities	-	-	286.71	-	-	-
<b>Current financial liabilities</b>						
Borrowings	-	-	242,612.49	-	-	-
Trade and other payables	-	-	231,940.37	-	-	-
Security deposits	-	-	3,166.26	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>530,822.91</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

The fair value of investments in mutual funds is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published NAV statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuer will redeem such units from the investors.

The fair value of derivatives is determined using quoted forward exchange rates at the reporting date.

There has been no transfer between level 1, level 2 and level 3 during the year.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (b) Class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value		Fair value	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Financial assets</b>				
Investments	-	55,036.14	-	55,036.14
<b>Others:</b>				
Derivative financial assets	-	453.37	-	453.37
<b>Total financial assets</b>	<b>-</b>	<b>55,489.51</b>	<b>-</b>	<b>55,489.51</b>
<b>Financial liabilities</b>				
<b>Borrowings</b>				
Long term borrowings (Floating rate)	61,188.79	52,817.08	61,188.79	52,817.08
Lease liabilities	1,603.78		1,603.78	
<b>Others:</b>				
Derivative financial liabilities	1,628.93	-	1,628.93	-
Employee related dues	180.42	286.71	180.42	286.71
<b>Total financial liabilities</b>	<b>64,601.92</b>	<b>53,103.79</b>	<b>64,601.92</b>	<b>53,103.79</b>

The management assessed that cash and cash equivalents, other bank balance, trade receivables, other current financial assets (except derivative financial assets), trade payables, short term borrowings and other current financial liabilities (except derivative financial liabilities) approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative contracts. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### A Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Trade receivables

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigates the credit risk to some extent.

Reconciliation of loss allowance on:	Trade receivables amount	Other financial assets amount
Balance as at 1 <sup>st</sup> April 2021	3,479.01	209.79
Movement during the year	1,036.02	-
Balance as at 31 <sup>st</sup> March 2022	<b>4,515.03</b>	<b>209.79</b>
Movement during the year	1,235.84	-
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>5,750.87</b>	<b>209.79</b>

## B Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2023:

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	191,247.67	191,247.67	-	-
Borrowings (including current maturities of non-current borrowings)	463,110.32	401,921.53	61,188.79	-
Other financial liabilities	24,183.53	24,003.11	180.42	-
Lease liabilities	1,681.10	199.60	1,054.18	1,838.07
<b>Total</b>	<b>680,222.62</b>	<b>617,371.91</b>	<b>62,423.39</b>	<b>1,838.07</b>

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2022:

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	227,339.87	227,339.87	-	-
Borrowings (including current maturities of non-current borrowings)	295,429.57	242,612.49	52,817.08	-
Other financial liabilities	8,053.47	7,766.76	286.71	-
<b>Total</b>	<b>530,822.91</b>	<b>477,719.12</b>	<b>53,103.79</b>	<b>-</b>

## C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in other market variables. Refer sensitivity analyses below.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

## (a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

### Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with ₹, with all other variables held constant. The impact on the Company's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. Refer Note 37 for details on foreign currency exposure.

Particulars	Profit and loss	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
₹/USD strengthening [5% movement]	(81.11)	(2,512.15)
₹/USD weakening [5% movement]	81.11	2,512.15
₹/EURO strengthening [5% movement]	(161.37)	(361.37)
₹/EURO weakening [5% movement]	161.37	361.37

## (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages fund requirements and performs sensitivity analysis to keep interest rate risk within limits.

### Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

Particulars	Profit and loss	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Borrowings</b>		
Variable rate instruments - increase by 50 basis points	(1,021.33)	(478.02)
Variable rate instruments - decrease by 50 basis points	1,021.33	478.02
<b>Foreign Currency Borrowings-USD</b>		
Variable rate instruments - increase by 50 basis points	(1,294.22)	(999.13)
Variable rate instruments - decrease by 50 basis points	1,294.22	999.13

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

## (c) Commodity price risk

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and muriatic potash. All being international commodities is subject to price fluctuation on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertilizer industry based on the market trend.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 36: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital keeping in view the adequate interest and debt service coverage ratio.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

## Note 37: Unhedged foreign currency exposure

(a) Forward contract outstanding as at 31<sup>st</sup> March 2023, against import of goods is ₹ 334,293.05 (31<sup>st</sup> March 2022: ₹ 305,346.85).

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

	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	(USD in Million)	(EURO in Million)	(₹ In Lakhs)	(USD in Million)	(EURO in Million)	(₹ In Lakhs)
<b>Liabilities:</b>						
Trade Payable and Creditors for Property Plant and Equipment (including acceptance)	37.99	-	31,218.23	100.32	8.58	83,266.02
Short term borrowings- Buyers and Suppliers Credit	5.96	-	4,897.81	9.26	-	7,019.06
Other Interest accrued but not due on borrowings	2.39	0.02	1,982.34	0.29	-	218.08
<b>Assets:</b>						
Claims receivable	40.46	-	33,248.76	43.58	-	33,032.80

## Note 38: Reconciliation of liabilities from financing activities.

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year		
- Non-current borrowings	52,817.08	11,341.13
- Current borrowings	242,612.49	113,776.12
Cash flows		
- Proceeds/(Repayment) of non-current borrowings	25,704.06	50,636.76
- Proceeds/(Repayment) of current borrowings	128,580.21	112,249.38
Non-cash changes - represents foreign exchange fluctuation and unwinding of interest	13,396.48	7,426.18
Balance at the end of the year		
- Non-current borrowings	61,188.79	52,817.08
- Current borrowings	401,921.53	242,612.49

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 39

- a) The Company, in an earlier year, had received an Arbitration Award in its favour in the matter of Cargo Charges Tariff dispute with Paradeep Port Trust (PPT) for the years 1993–1999. PPT in earlier year had appealed with the higher authorities against such award which was confirmed by the Appellate Authority. However, as against the above order, the PPT went into further appeal with the Hon'ble High Court of Odisha and the High Court in its interim order directed the Company not to execute award at this stage. The Company has not recognized this award as income in the Statement of Profit and Loss.
- b) Paradeep Port Trust (PPT) proposed a revision in scale of rates applicable to the Company for cargo handling in the captive berth w.e.f. 1<sup>st</sup> April 1999. The matter was referred to Tariff Authority of Major Ports (TAMP) on mutual consent of the parties under the direction of Hon'ble High Court of Odisha. During the previous year, TAMP had finalized the rates, but PPT had not agreed with the order and proceeded with a writ petition before the Hon'ble High Court of Odisha against the said order. Pending disposal of the case, the Company has not recognized the amount receivable from PPT towards the excess amount paid over the applicable TAMP order.

## Note 40

During the year, a sum of ₹ 119.14 (31 March 2022: ₹ 112.46) including capital expenditure of ₹ 0.95 (31 March 2022: ₹ 0.76) was spent on research and development (excluding depreciation charge).

## Note 41 : Analytical ratios

Ratio	Numerator	Denominator	Current year	Previous year	aa
Current ratio (in times)	Total current assets	Total current liabilities	1.10	1.02	8%
Debt-Equity ratio (in times)	Total borrowings	Total equity	1.32	1.33	0%
Debt service coverage ratio (in times) (Note a)	Earning for Debt Service = Profit for the year + Interest expenses + Depreciation and amortisation expenses + Other non-cash adjustments	Debt service = Interest + Principal repayments	1.24	2.79	-56%
Return on equity ratio (in %) (Note b)	Profit for the year	Average total equity	10.60%	19.63%	-46%
Inventory turnover ratio (in times)	Revenue from operations	Average inventory	5.89	4.92	20%
Trade receivables turnover ratio (in times) (Note c)	Revenue from operations	Average trade receivables	5.68	7.35	-23%
Trade payables turnover ratio (in times)	Purchase of raw materials and traded goods	Average trade payables	5.16	4.77	8%
Net capital turnover ratio (in times) (Note c)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	37.88	24.20	56%
Net profit ratio (in %) (Note d)	Profit for the year	Revenue from operations	2.28%	5.07%	-55%
Return on capital employed (in %) (Note e)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Total debt + Deferred tax liabilities	8.70%	11.76%	-26%
Return on investment (in %)	Income generated from invested funds	Average investments	2.04%	2.00%	2%

### Notes:

- a) The % change is primarily on account of increase in debt to be serviced during the year.
- b) The % change is primarily on account of lower profits earned during the year coupled with increase in average equity.
- c) The % change is primarily on account of increase in turnover coupled with better working capital management.
- d) The % change is primarily on account of lower profits earned as against higher revenue during the year.
- e) The % change is primarily on account of lower profits earned against higher capital employed during the year.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 42(a) : Employee share based payment

Pursuant to the resolutions passed by the Board and by the Shareholders on 10<sup>th</sup> August 2021, the Company approved 'PPL Employees Stock Option Plan 2021 ("ESOP 2021")' is in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 3,600,000 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

Pursuant to the resolution passed by the Board on 29<sup>th</sup> April 2022 the Company has granted 2,400,058 nos of options under ESOP Scheme at a exercise price of ₹42 per option. The total number of options available under ESOP Scheme is 3,600,000 which are exercisable for 3,600,000 Equity Shares.

Vesting conditions	Exercise period	Date of Grant	Numbers of options granted	Exercise price per share
On continued employment with the Company	3 years from date of each vesting	29 <sup>th</sup> April 2022	24,00,058	₹42

### Vesting schedule :

Vesting schedule of the said options granted on 29<sup>th</sup> April 2022 was as follows:

- After 12 Months from the date of grant : 30 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 36 Months from the date of grant : 35 % of the options granted

The Exercise period shall not be more than 5 (Five) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

### The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

Particulars	
Grant date	29 <sup>th</sup> April 2022
Fair value at grant date (₹)	18.69
Share price at grant date (₹)	41
Exercise price (₹)	42
Expected Life (expected weighted average life)	4.50
Expected dividend yield (%)	0
Expected volatility	45%
Risk free interest rate (based on zero-yield curve for Government Securities)	6.70%

### Reconciliation of outstanding share options:

Particulars	As at 31 <sup>st</sup> March 2023
Number of Options Outstanding at the beginning of the year	-
Number of Options granted during the year	2,400,058
Number of Options forfeited/lapsed during the year	381,054
Number of Options vested during the year	-
Number of Options outstanding at the end of the year	2,019,004
Number of Options exercisable at the end of the year	-

### Expense arising from share based payment transactions:

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

Particulars	Year ended 31 <sup>st</sup> March 2023
Expenses on Employees Stock Options Scheme	197.83



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 42(b) : The utilisation of IPO proceeds out of fresh issue is summarized below:

During financial year 2022-23 the Company completed its Initial Public Offer (IPO) of 357,555,112 equity shares of face value of ₹ 10/- each for cash at an issue price of ₹ 42/- per equity share aggregating to ₹ 150,173.15, consisting of fresh issue of 239,047,619 equity shares aggregating to ₹ 100,400.00 and an offer for sale of 118,507,493 equity shares aggregating to ₹49,773.15 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 27<sup>th</sup> May 2022.

## The utilisation of IPO proceeds out of fresh issue is summarized below:

Particulars	Object of the issue as per prospectus	Utilisation upto 31 <sup>st</sup> March 2023	Unutilised amount as at 31 <sup>st</sup> March 2023
Part-financing the acquisition of the Goa Facility	52,000	52,000	-
Repayment/prepayment of certain of our borrowings	30,000	33,450	-
General corporate purposes	14,315	10,865	-

## Note 43

- The Company, has not entered into any transactions with struck off companies, during the year ended 31<sup>st</sup> March 2023 (previous year ended 31<sup>st</sup> March 2022).
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, no funds that have been received by the Company from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Note 44 : Business combination

- During the year Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited ("ZACL") on a slump sale going concern basis pursuant to the business transfer agreement entered into by the Company with ZACL. The acquisition was completed and effective from 1<sup>st</sup> June 2022 for a consideration of ₹ 168,797.46 which was paid to ZACL pursuant to the business transfer agreement. The Goa plant and allied business acquired by the Company is in the business of manufacture and sale of urea and complex fertilisers.

## (b) Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:-

Particulars	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>	
<b>I. Non-current assets</b>	
(a) Property, plant and equipment	147,378.30
(b) Right-of-use assets	1,082.90
(c) Capital work-in-progress	12,992.80
(d) Intangible assets	76.13
(e) Financial Assets	
(i) Loans	19.30
(ii) Others	233.20
<b>Total non-current assets</b>	<b>161,782.63</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2023
<b>II. Current assets</b>	
(a) Inventories	9,194.20
(b) Financial assets	
(i) Loans	3.50
(ii) Trade receivables	37,010.20
(iii) Other financial assets	170.93
(c) Other current assets	15,198.20
<b>Total current assets</b>	<b>61,577.03</b>
<b>Total assets A (I+II)</b>	<b>223,359.66</b>
<b>Liabilities</b>	
<b>(I) Non-current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	10.10
(ii) Lease Liabilities	1,780.78
<b>Total non-current liabilities</b>	<b>1,790.88</b>
<b>(II) Current liabilities</b>	
(a) Financial liabilities	
(i) Trade payables	41,047.16
(ii) Other financial liabilities	14,070.90
(b) Other current liabilities	2,365.26
(c) Provisions	1,792.90
<b>Total current liabilities</b>	<b>59,276.22</b>
<b>Total liabilities B (I+II)</b>	<b>61,067.10</b>
<b>Total fair value of net assets acquired C (A-B)</b>	<b>162,292.56</b>
<b>Closing Consideration D</b>	<b>168,797.46</b>
<b>Deferred tax asset relating to origination and differences of Goa unit on Slump sale E</b>	<b>697.96</b>
<b>Goodwill (D-C-E)</b>	<b>5,806.94</b>

- (c) Acquisition related costs amounting to ₹ 4.68 on legal fees, valuation fees, ₹ 3,069.91 as stamp duty have been recognized as legal and professional expense and rates and taxes respectively in the Standalone Statement of Profit and Loss within Other expenses.
- (d) From the date of acquisition, the acquired business contributed ₹ 4,28,259.23 to total income and a profit of ₹ 3,453.74 to the standalone profit before tax. Had the business combination been effected at April 1, 2022, the total income of the Company would have been higher by ₹ 28,622.00 and profit before tax would have been lower by ₹ 1,522.00 .
- (e) The goodwill recognized is attributable to expected synergies from combining operations of the Company and acquired business and would not be deductible for tax purposes.
- (f) In relation to property, plant and equipment acquired through business combination fair valuation was determined based on the valuation model which considered market prices for similar items and depreciated replacement cost, as appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

(g) Contingent liabilities was recognized on acquisition, the details of which are as under:-

Particulars	Amount
Customs duty demand	530.14
Goods and services tax demand	4,016.08
Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas	4,291.34
Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips	140.52

As at 31<sup>st</sup> March 2023, there has been no change in the amount recognized as contingent liabilities on 1<sup>st</sup> June 2022, as there has been no change in the probability of the outcome of the cases as noted above.

## Note 45

The subsidy rates for phosphatic fertilizers under Nutrient Based Subsidy Scheme for the year ended 31<sup>st</sup> March 2023 have been recognised based on management's estimate, pending finalization by the Government of India.

**Note 46:** The Standalone Financial Statements were approved for issue by the board of directors on 17<sup>th</sup> May 2023.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary  
Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer  
Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

# INDEPENDENT AUDITOR'S REPORT

To the Members of

## Paradeep Phosphates Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Paradeep Phosphates Limited (hereinafter referred to as the "Company") and its associate, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner

so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Recognition and recoverability of subsidy revenue

See Note 8 and 20 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company recognizes the subsidy revenue from the Department of Fertilisers, Government of India ('GoI'). The revenue is recognised as per Nutrient Based Subsidy Policy ('NBS Policy') for Phosphatic and Potassic fertilisers and New Pricing Scheme for Urea at the time of sale of goods to its customers.</p> <p>Subsidy revenue is recognized on the basis of rates notified from time to time by the Department of Fertilisers, Government of India in accordance with NBS Policy and New Pricing Scheme. It is recognised on the basis of quantity of fertilisers sold by the Company. Further, recognition and realisability of subsidy income is subject to various conditions as per the GoI Policy. During the year, the Company has recognised Rs. 856,302.14 lakhs as subsidy revenue and out of this an amount of Rs. 306,937.59 lakhs is receivable as on 31 March 2023.</p>	<p>In view of the significance of the matter, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>evaluated the design, implementation and operating effectiveness of internal controls for recognition and recoverability of subsidy revenue</li> <li>read the relevant notifications and circulars issued by the GoI from time to time with regard to subsidy policies</li> <li>reconciled the sales quantity considered for subsidy revenue with the actual sales made by the Company</li> <li>reconciled the quantities considered for estimation of subsidy revenue with quantities as per Integrated Fertilizer Management System</li> <li>evaluated the Company's assessment regarding compliances with relevant conditions as specified in the notifications and policies relating to subsidy</li> </ul>



## Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
In view of the significance of subsidy revenue and significant judgements involved around the interpretation and satisfaction of conditions specified in Gol policy, we have considered recognition and recoverability of subsidy income as a key audit matter.	<ul style="list-style-type: none"> <li>understood and challenged the basis of judgements made in relation to the relevant notifications/ circulars including past precedence and subsequent evidence, as applicable</li> <li>for evaluating the recoverability of receivables, tested the ageing analysis and assessed the information used to determine the recoverability of receivables by considering the historical trends and subsequent collections</li> </ul>

**Business combination**

See Note 44 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 March 2023, the Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited on 1 June 2022.</p> <p>The Company has accounted for this acquisition as a business combination as per Ind AS 103 with effect from the date of acquisition.</p> <p>The Company carried out a purchase price allocation as of the acquisition date. It accounted for its assets, liabilities and disclosed contingent liabilities as of the acquisition date. The excess of purchase price paid over net assets has been recognized as goodwill.</p> <p>The Company has involved external valuers for determination of fair value of land, buildings and other property, plant and equipment using relevant valuation models.</p> <p>Given the complexity and judgements involved in fair value measurement of the acquisition, we have considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>read the business transfer agreement for the business purchase to understand the key terms and conditions</li> <li>assessed the accounting treatment followed is in compliance with Ind AS 103</li> <li>inspected the work of the experts by examining the valuation reports</li> <li>evaluated the purchase price allocation and checked valuation of tangible assets by involving our internal valuation specialists</li> <li>assessed the adequacy of the Company's disclosure is in line with Ind AS 103</li> </ul>

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is

a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company and its associate are

## Independent Auditor's Report (Contd.)

responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Company and its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Independent Auditor's Report (Contd.)

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

### Other Matter

- a. The consolidated financial statements include the Company's share of net profit of Rs. 50.52 lakhs and other comprehensive loss of Rs. 53.28 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of the associate, whose financial information has not been audited by us or by other auditor. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Company as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Company. Refer Note 29 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 15 to the consolidated financial statements in respect of such items as it relates to the Company.
  - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.

## Independent Auditor's Report (Contd.)

- d (i) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the consolidated financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. As stated in Note 13 to the consolidated financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN: 23055757BGYIHN4195





## ANNEXURE A to the Independent Auditor's Report on the Consolidated Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by the auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Company/Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Paradeep Phosphates Limited	L24129OR198 1PLC001020	Company	(i)(c), (ii)(b)

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

Chartered Accountants

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

**Jayanta Mukhopadhyay**

Partner

Membership No.: 055757

ICAI UDIN: 23055757BGYIHN4195

Place: Bengaluru

Date: 17 May 2023



## **ANNEXURE B** to the Independent Auditor's Report on the consolidated financial statements of Paradeep Phosphates Limited for the year ended 31 March 2023

### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of Paradeep Phosphates Limited (hereinafter referred to as "the Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company, as of that date.

In our opinion, the Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with

reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



## Annexure B to the Independent Auditor's Report (Contd.)

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections

of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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

**Jayanta Mukhopadhyay**

Partner

Place: Bengaluru

Membership No.: 055757

Date: 17 May 2023

ICAI UDIN:23055757BGYIHN4195



# CONSOLIDATED BALANCE SHEET

As at 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	4(a)	279,571.01	125,973.84
(b) Right of use assets	4(c)	1,619.27	-
(c) Capital work-in-progress	4(b)	69,686.32	33,629.46
(d) Goodwill	44	5,806.94	-
(e) Other intangible assets	4(d)	177.84	86.23
(f) Equity accounted investment	5(a)	315.29	289.43
(g) Other income tax assets(net)		1,106.62	1,236.50
(h) Other non-current assets	6	5,900.04	118,276.53
<b>Total non-current assets</b>		<b>364,183.33</b>	<b>279,491.99</b>
<b>II. Current assets</b>			
(a) Inventories	7	223,767.72	229,322.24
(b) Financial assets			
(i) Investments	5(b)	-	55,036.14
(ii) Trade receivables	8	368,973.75	90,247.54
(iii) Cash and cash equivalents	9(a)	4,303.42	53,784.10
(iv) Bank balances other than (iii) above	9(b)	6,681.98	5,987.37
(v) Other financial assets	10	33,718.27	33,844.36
(c) Other current assets	6	64,048.36	45,080.39
(d) Assets classified as held for sale	11	23.26	23.96
<b>Total current assets</b>		<b>701,516.76</b>	<b>513,326.10</b>
<b>Total assets (I+II)</b>		<b>1,065,700.09</b>	<b>792,818.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(a) Equity share capital	12	81,449.76	57,545.00
(b) Other equity	13	269,020.47	164,954.74
<b>Total equity</b>		<b>350,470.23</b>	<b>222,499.74</b>
<b>II. Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(a)	61,188.79	52,817.08
(ii) Lease liabilities	14(b)	1,603.78	-
(iii) Other financial liabilities	15	180.42	286.71
(b) Provisions	16	2,379.21	2,654.83
(c) Deferred tax liabilities (net)	17	10,778.02	9,218.11
<b>Total non-current liabilities</b>		<b>76,130.22</b>	<b>64,976.73</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14(c)	401,921.53	242,612.49
(ii) Lease liabilities	14(b)	77.32	-
(iii) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		667.47	818.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises		190,580.20	226,521.11
(iv) Other financial liabilities	15	24,003.11	7,766.76
(b) Other current liabilities (net)	19	11,554.50	14,900.85
(c) Provisions	16	9,000.56	7,524.57
(d) Current tax liabilities		1,294.95	5,197.08
<b>Total current liabilities</b>		<b>639,099.64</b>	<b>505,341.62</b>
<b>Total liabilities (1+2)</b>		<b>715,229.86</b>	<b>570,318.35</b>
<b>Total equity and liabilities (I+II)</b>		<b>1,065,700.09</b>	<b>792,818.09</b>

Summary of significant accounting policies

3

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

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

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Membership No: 055757

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of

**Paradeep Phosphates Limited**

CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**

Managing Director

DIN: 00021965

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Sachin Patil**

Company Secretary

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**S.K. Poddar**

Chairman

DIN: 00008654

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**

Chief Financial Officer

Place: Bengaluru

Date: 17<sup>th</sup> May 2023





# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Income</b>			
I. Revenue from operations	20	1,334,072.19	785,871.92
II. Other income	21	9,107.00	3,926.99
<b>III. Total income (I+II)</b>		<b>1,343,179.19</b>	<b>789,798.91</b>
<b>IV. Expenses</b>			
Cost of raw materials consumed	22	1,043,969.52	524,622.29
Purchase of stock-in-trade		18,226.12	142,828.18
Changes in inventories of finished goods, stock-in-trade and work in progress	23	(877.73)	(39,324.17)
Employee benefits expense	24	21,320.25	13,850.44
Finance costs	25	29,124.25	8,554.14
Depreciation and amortisation expense	26	17,515.31	9,045.72
Other expenses	27	171,335.01	76,784.20
<b>Total expenses (IV)</b>		<b>1,300,612.73</b>	<b>736,360.80</b>
<b>V. Profit before share of equity accounted investee and tax (III-IV)</b>		<b>42,566.46</b>	<b>53,438.11</b>
<b>VI. Share of net profit of associate accounted for using the equity method (net of tax)</b>		50.52	61.12
<b>VII. Profit before tax (V+VI)</b>		<b>42,616.98</b>	<b>53,499.23</b>
<b>VIII. Tax expense</b>			
- Current tax	17	9,629.93	13,721.45
- Income tax charge for the earlier years (net)	17	333.15	-
- Deferred tax charge/(credit)	17	2,234.64	(67.54)
<b>Total tax expense</b>		<b>12,197.72</b>	<b>13,653.91</b>
<b>IX. Profit for the year (VII-VIII)</b>		<b>30,419.26</b>	<b>39,845.32</b>
<b>X. Other comprehensive income / (loss)</b>			
<b>A Items that will be reclassified to profit or loss</b>			
a) Exchange differences on translation of foreign operations		(24.66)	(50.21)
<b>Items that will not be reclassified to profit or loss</b>			
a) Remeasurement gain/(loss) of the defined benefit plans		92.33	(61.92)
b) Income tax on above	17	(23.23)	15.58
<b>Total other comprehensive income/(loss) for the year</b>		<b>44.44</b>	<b>(96.55)</b>
<b>XI. Total comprehensive income for the year (IX + X)</b>		<b>30,463.70</b>	<b>39,748.77</b>
<b>XII. Earnings per equity share (nominal value of ₹ 10 each)</b>			
Basic [in ₹]	28	3.90	6.91
Diluted [in ₹]	28	3.90	6.91

Significant accounting policies

2

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

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

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**

Partner

Membership No: 055757

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of

**Paradeep Phosphates Limited**

CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**

Managing Director

DIN: 00021965

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Sachin Patil**

Company Secretary

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**S.K. Poddar**

Chairman

DIN: 00008654

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**

Chief Financial Officer

Place: Bengaluru

Date: 17<sup>th</sup> May 2023

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	42,616.98	53,499.23
<i>Adjustments for</i>		
Depreciation and amortisation expense	17,515.31	9,045.72
Finance costs	25,151.99	6,151.37
Interest income	(986.50)	(299.99)
Profit on sale of current investments	(93.36)	(635.85)
Gain on fair valuation of investments measured at fair value through profit or loss	-	(38.13)
Loss on sale / discard of property, plant and equipment (net)	1,511.90	1,289.42
Loss allowance	1,239.90	2,095.78
Bad debts, claims and advances written off	68.73	10.23
Unspent liabilities/provision no longer required written back	(6,883.44)	(1,727.47)
Foreign exchange fluctuation loss unrealised (net)	2,586.92	3,922.46
Share of profit from associate	(50.52)	(61.12)
<b>Operating cash flow before working capital changes</b>	<b>82,677.91</b>	<b>73,251.65</b>
<b>Changes in working capital</b>		
Decrease/(increase) in inventories	14,748.72	(139,416.88)
Increase in trade receivables	(242,375.30)	(10,627.34)
Increase in financial and other assets	(4,033.41)	(51,707.35)
(Decrease)/increase in trade payables and other current liabilities	(74,426.45)	132,807.79
Decrease in provisions	(523.43)	(143.48)
<b>Cash generated from/(used in) operating activities</b>	<b>(223,931.96)</b>	<b>4,164.39</b>
Less: Income taxes paid (net of refunds)	(13,735.33)	(8,552.21)
<b>Net cash used in operating activities (A)</b>	<b>(237,667.29)</b>	<b>(4,387.82)</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	37.73	38.40
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(43,618.36)	(62,022.19)
Purchase of business	(53,700.00)	-
Investments in current investments - mutual funds	(440,021.35)	(537,889.63)
Proceeds from sale of current investments - mutual funds	495,150.85	495,731.47
Interest received	891.16	326.12
Investment in deposits with maturity of more than three months	(610.42)	(6,062.09)
<b>Net cash used in investing activities (B)</b>	<b>(41,870.39)</b>	<b>(109,877.92)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of share capital	97,506.79	-
Proceeds from non-current borrowings	43,921.48	57,247.95
Repayment of non-current borrowings	(18,217.42)	(6,611.19)
Proceeds from current borrowings	1,449,982.82	568,106.27
Repayment of current borrowings	(1,321,402.61)	(455,856.89)
Interest paid	(21,734.06)	(3,988.75)
<b>Net cash generated from financing activities (C)</b>	<b>230,057.00</b>	<b>158,897.39</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(49,480.68)</b>	<b>44,631.65</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>53,784.10</b>	<b>9,152.45</b>
<b>Cash and cash equivalents at the end of the year (refer Note 9(a))</b>	<b>4,303.42</b>	<b>53,784.10</b>

The cashflow from operating activities in the above consolidated statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary  
Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer  
Place: Bengaluru  
Date: 17<sup>th</sup> May 2023



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (a) Equity share capital

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	575,450,000	57,545.00	5,754,500	57,545.00
Shares issued during the year	239,047,619	23,904.76	-	-
Changes in equity share capital during the year	-	-	569,695,500	-
<b>Balance at the end of the year</b>	<b>814,497,619</b>	<b>81,449.76</b>	<b>575,450,000</b>	<b>57,545.00</b>

## (b) Other equity

Particulars	As at 31 <sup>st</sup> March 2023					As at 31 <sup>st</sup> March 2022		
	Foreign Currency Translation Reserve	Retained earnings	Securities premium	Share option outstanding reserve	Total other equity	Foreign Currency Translation Reserve	Retained earnings	Total other equity
Balance at the beginning of the year	(25.97)	164,980.71	-	-	164,954.74	24.24	125,181.73	125,205.97
Profit for the year	-	30,419.26	-	-	30,419.26	-	39,845.32	39,845.32
Premium received on issue of shares during the year	-	-	73,404.20	-	73,404.20	-	-	-
ESOP reserve	-	-	-	197.83	197.83	-	-	-
Other comprehensive income for the year *	(24.66)	69.10	-	-	44.44	(50.21)	(46.34)	(96.55)
<b>Total for the year</b>	<b>(24.66)</b>	<b>30,488.36</b>	<b>73,404.20</b>	<b>197.83</b>	<b>104,065.73</b>	<b>(50.21)</b>	<b>39,798.98</b>	<b>39,748.77</b>
<b>Balance at the end of the reporting year</b>	<b>(50.63)</b>	<b>195,469.07</b>	<b>73,404.20</b>	<b>197.83</b>	<b>269,020.47</b>	<b>(25.97)</b>	<b>164,980.71</b>	<b>164,954.74</b>

\* Other comprehensive income included under retained earnings represents remeasurement of defined benefit plans (net of tax).

Refer note 13 for details on the nature and purpose of the reserve

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CORPORATE AND GENERAL INFORMATION

Paradeep Phosphates Limited ('the Company') is a public company domiciled and headquartered in Bhubaneswar, India. Zuari Agro Chemicals Limited (ZACL) holds 28.05% of equity shares of Paradeep Phosphates Limited ('the Company') through its joint venture Zuari Maroc Phosphates Private Limited (ZMPPL) and is its largest shareholder alongwith OCP S.A.. PPL and ZACL have certain directors in common. It is incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacture of Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades, and Zypmite (Gypsum based product) having its manufacturing facility at the port town of Paradeep, District Jagatsinghpur, Odisha and at Zuari Nagar, Goa. The Company is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. The Company caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers. The Company has one associate incorporated in Myanmar under the name of Zuari Yoma Agri Solutions Limited.

### 1. Basis of preparation

- (a) These financial statements are prepared in accordance with Indian Accounting Standards (IND AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values notified under the provisions of the Companies Act 2013 ("the Act") to the extent applicable. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting Standards), Rule, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied to all the years except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

- (b) These Consolidated Financial Statements are presented in Indian Rupees ("₹"), which is also the Company's functional and presentation currency. All amounts have been rounded off to the nearest Lakhs, unless otherwise indicated.
- (c) The Consolidated Financial Information have been presented on historical cost convention on the accrual basis except for the following:
  - Certain financial assets and liabilities, which are measured at fair value.

- Net defined benefit (asset)/liability, which are measured at present value of defined benefit obligations less fair value of plan assets.

### 2A. Basis of consolidation

The Consolidated Financial Information incorporate the Financial Statements of the Company and its associate. Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company.

Investment in associate is accounted for using equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss and the Company's share of other comprehensive income of the investee in other comprehensive income. When the Company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Company does not recognise further losses, unless it has incurred obligations on behalf of the other entity.

Unrealised gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity accounted investments are tested for impairment.

The details of associate included in these consolidated financial statements are as under:

Name of associate	Ownership interest	Country of Incorporation
Zuari Yoma Agri Solutions Limited	50%	Myanmar

### 2B. Significant accounting policies

#### (i) Classification of assets and liabilities into current/non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

purpose of being traded; or (c) it is expected to be realised within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

## (ii) Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, taxes, borrowing costs, if recognition criteria are met, and any directly attributable cost incurred to bring the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Replaced assets held for disposal are stated at lower of their carrying amount and fair value less costs to sell, and depreciation on such assets ceases and shown under "Assets held for sale".

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

## Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Other indirect expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period, if any, is deducted from the total of the indirect expenditure.

## (iii) Depreciation on property, plant and equipment

a. Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the Management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful life to provide depreciation on its property, plant and equipment based on technical evaluation done.

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

\* Useful lives are different to the lives prescribed under Schedule II to the Companies Act, 2013.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. These are estimated by the management supported by independent assessment by professionals.

The Company has used the following useful life to provide depreciation on its property, plant and equipment relating to Goa plant acquired as on 1 June 2022 based on technical evaluation done.

<b>Class of Assets</b>	<b>Useful Lives estimated by the management (Years)</b>
Buildings	11 to 43
Plants and equipments	More than 1 and upto 25
Furniture, Fixtures & fittings	More than 1 and upto 10
Vehicles	More than 1 and upto 10
Office equipments	More than 1 and upto 6
Railway siding	3 to 30

- b. Premium on land held on leasehold basis considered as Right of Use Asset is amortised over the period of lease.
- c. The classification of plant and machinery into continuous and non-continuous process is done as per technical certification by the management and depreciation thereon is provided accordingly.
- d. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### (iv) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful

life are reviewed at least once at the end of each reporting period. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The following are the acquired intangible assets:

Software:

The management of the Company assessed the useful life of software as finite and cost of software is amortised over their estimated useful life of three years on straight line basis.

#### (v) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset (except inventories and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (vi) Leases

At inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset, whether specified explicitly or implicitly;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Company has right to direct the use of the asset by either having right to operate the asset or the Company having designed the asset in a way that predetermines how and for what purpose it will be used.

### Accounting as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The estimates of useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not

paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has elected not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on straight line basis over the lease term.

## (vii) Foreign currency transactions

### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is Company's functional and presentation currency.

### (b) Initial recognition

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction.

### (c) Conversion

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial recognition.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

## (viii) Derivative financial instruments

### *Initial recognition and subsequent measurement*

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

## (ix) Fair value measurement

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

## (x) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### Initial recognition and measurement:

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables are measured at transaction price in accordance with Ind AS 115.

#### Subsequent measurement:

##### *Financial assets being debt instruments:*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit and loss (FVTPL).

Debt instruments at amortised cost:

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI:

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## **Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **Impairment of Financial Assets:**

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

## **Financial Liabilities**

### ***Initial recognition and measurement:***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

### ***Subsequent Measurement:***

The measurement of financial liabilities depends on their classification, as described below:

### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

### ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### ***Derecognition:***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## (xi) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

## (xii) Inventories

- i. Inventories are valued at the lower of cost and net realizable value.
- ii. The cost is determined as follows:
  - (a) Raw Materials, Stores, Spare Parts, Chemical, Fuel Oil and Packing Materials: Weighted average method
  - (b) Intermediaries: Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity
  - (c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity including Excise Duty
  - (d) Traded goods: Weighted average method
- iii. By-products such as treated gypsum are measured at net realizable value, adjusted against the cost of main product.
- iv. Net realizable value is the estimated selling price including applicable subsidy in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

- v. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

## (xiii) Borrowing cost

Borrowing costs include interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## (xiv) Revenue Recognition

The Company earns revenue primarily from sale of fertilizers. The following specific criteria must also be met before revenue is recognised:

### Sale of goods

At contract inception, Company assess the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods which is usually dispatch/delivery of goods, based on contracts with customers. There is no significant

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

### Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (x) to significant accounting policies on Financial instruments – initial recognition and subsequent measurement.

#### Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### Subsidy income

Concessions in respect of Urea as notified under the New Pricing Scheme is recognised with adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for DAP, Muriate of Potash (MOP) and Complex Fertilizers are recognised as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time, where there is reasonable assurance of complying with the conditions of the policy.

Subsidy on freight charges for DAP, MOP and

Complex Fertilizers is recognised based on rates notified by the Government of India with the known policy parameters in this regard and included in subsidy.

### Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable EIR. Claims receivable on account of interest from dealers on delayed payments are accounted for to the extent the Company is reasonably certain of their ultimate collection.

### Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

### Insurance claims

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

### (xv) Government grants and subsidies

Grants and subsidies [other than subsidy income considered in point (xiv) above] from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

deferred income and released to income in equal amounts over the expected useful life of the related asset.

## (xvi) Employee benefits

### Share-based payments

Share-based compensation benefits are provided to employees via PPL Employees Stock Option Plan 2021 ("ESOP 2021"). The fair value of the options granted under ESOP 2021 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

### Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### Defined Contribution Plan

Retirement benefit in the form of contribution to pension fund, superannuation fund and national pension scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to these schemes. The Company recognises contribution payable to these fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service

received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### Defined Benefit Plans

- i) Liability for Gratuity and Post Retirement Medical Benefits are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan and post employment medical benefit plan has been funded by policy taken from Life Insurance Corporation of India.
- ii) Liability for Provident fund is provided for on the basis of actuarial valuation carried at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

### Other long term benefits

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Liability for accumulated compensated absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The Company measures the expected cost of accumulated compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose.

## (xvii) Income tax

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future

taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## (xviii) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

## (xix) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

## (xx) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. A contingent liability is also a present obligation that arises from past events but outflow of resources embodying economic benefits is not probable.

## (xxi) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

## (xxii) Business combinations

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain

in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

## (xxiii) Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

## 3A. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The changes in estimates are made as the management becomes aware of such changes. The

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

changes in estimates are recognised in the period in which the estimates are revised.

## i) **Defined benefit plans**

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 32.

## ii) **Useful life of Property, plant and equipment**

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date. Refer Note 4(a).

## iii) **Fair value measurement of financial instruments**

Refer Note 34 for information about fair value measurement.

## iv) **Revenue recognition**

The Company provides various rebates and incentives to the customers. In estimating the same, the Company is required to use either the expected value method or the most likely method. The Company determined that the expected value method is the appropriate method for determining estimates to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical experience and business forecast and current market conditions. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value thereof.

## v) **Fair value of assets and liabilities acquired on**

## **business combination**

Refer Note 44 for information about fair values of assets and liabilities acquired on business combination.

## vi) **Provisions and contingencies**

Refer Note 29 for key assumptions about likelihood and magnitude of an outflow of economic resources in relation to recognition and measurement of contingent liabilities.

## 3B. **Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31<sup>st</sup> March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 4(a) : Property, plant and equipment

### Reconciliation of carrying amount

	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Railway siding	Total (A)
<b>Balance as at 1<sup>st</sup> April 2021</b>	39.84	584.90	39,617.10	660.37	115,081.08	395.72	472.04	932.81	657.92	<b>158,441.78</b>
Additions during the year	-	-	322.16	337.23	12,228.28	26.60	108.38	107.82	188.92	<b>13,319.39</b>
Disposals/ discard during the year	-	-	6.82	-	1,586.82	9.39	56.93	25.83	-	<b>1,685.79</b>
Adjustment (refer note 4 below)	-	-	-	-	488.37	-	-	-	-	<b>488.37</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>39.84</b>	<b>584.90</b>	<b>39,932.44</b>	<b>997.60</b>	<b>126,210.91</b>	<b>412.93</b>	<b>523.49</b>	<b>1,014.80</b>	<b>846.84</b>	<b>170,563.75</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	39.84	584.90	39,932.44	997.60	126,210.91	412.93	523.49	1,014.80	846.84	<b>170,563.75</b>
Additions during the year	-	-	89.23	9.77	22,341.37	41.56	231.74	233.20	197.49	<b>23,144.36</b>
Adjustment on account of business aquisition (refer Note 44)	-	43,240.00	5,066.10	-	96,325.25	63.80	201.56	379.36	1,687.69	<b>146,963.76</b>
Disposals/ discard during the year	-	-	-	-	2,062.01	9.33	87.86	14.37	0.67	<b>2,174.24</b>
Adjustment (refer note 4 below)	-	-	-	-	2,348.81	-	-	-	-	<b>2,348.81</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>39.84</b>	<b>43,824.90</b>	<b>45,087.77</b>	<b>1,007.37</b>	<b>245,164.33</b>	<b>508.96</b>	<b>868.93</b>	<b>1,612.99</b>	<b>2,731.35</b>	<b>340,846.44</b>

	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Railway siding	Total (A)
<b>Accumulated depreciation</b>										
<b>Balance as at 1<sup>st</sup> April 2021</b>	2.82	-	4,348.53	187.10	30,369.50	218.87	162.54	506.23	135.77	<b>35,931.36</b>
Charge for the year	0.44	-	1,385.13	112.30	7,271.65	40.93	58.74	108.74	38.95	<b>9,016.88</b>
Deductions	-	-	1.74	-	304.57	6.06	22.75	23.21	-	<b>358.33</b>
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>3.26</b>	<b>-</b>	<b>5,731.92</b>	<b>299.40</b>	<b>37,336.58</b>	<b>253.74</b>	<b>198.53</b>	<b>591.76</b>	<b>174.72</b>	<b>44,589.91</b>
<b>Balance as at 1<sup>st</sup> April 2022</b>	3.26	-	5,731.92	299.40	37,336.58	253.74	198.53	591.76	174.72	<b>44,589.91</b>
Charge for the year	0.44	-	1,568.83	148.16	14,999.34	70.35	124.50	276.73	122.48	<b>17,310.83</b>
Deductions	-	-	-	-	564.38	8.04	42.27	10.62	-	<b>625.31</b>
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>3.70</b>	<b>-</b>	<b>7,300.75</b>	<b>447.56</b>	<b>51,771.54</b>	<b>316.05</b>	<b>280.76</b>	<b>857.87</b>	<b>297.20</b>	<b>61,275.43</b>

### Net Carrying amount

Balance as at 31 <sup>st</sup> March 2022	36.58	584.90	34,200.52	698.20	88,874.33	159.19	324.96	423.04	672.12	125,973.84
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>36.14</b>	<b>43,824.90</b>	<b>37,787.02</b>	<b>559.81</b>	<b>193,392.79</b>	<b>192.91</b>	<b>588.17</b>	<b>755.12</b>	<b>2,434.15</b>	<b>279,571.01</b>

\* Company is in the process of executing conveyance deed / patta for land measuring 178.06 acres amounting to ₹27.94 Lakhs

Item of Balance Sheet	Description of Item	Gross Carrying Value	Title deed in favour of	If in the name of director etc	Property held since	Reason of not being held in the name of the Company
Property, Plant and equipment	Freehold land	27.94	NA	NA	1982-85	Delay on account of administrative formalities

### Notes:

- 1) Refer Note 14(a) and 14(c) relating to borrowings in respect of property, plant and equipment provided as security against those borrowings.
- 2) Refer Note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 3) Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation rate relating to general borrowings was at 7.88% (31<sup>st</sup> March 2022: 7.22%).
- 4) Adjustments include adjustment on account of borrowing costs and foreign exchange fluctuations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## 4(b) Capital work-in-progress

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Opening balance	33,629.46	22,005.97
Add: Addition during the year	48,557.23	25,431.25
Adjustment:-on account of business acquisition (refer Note 44)	12,992.80	-
Less: Capitalisation during the year	25,493.17	13,807.76
Closing balance	<b>69,686.32</b>	<b>33,629.46</b>

Closing balance includes other direct capital expenditure (pending allocation) ₹ 4,685.65 (31<sup>st</sup> March 2022: ₹ 3,244.34)

## CWIP Ageing Schedule

As at 31<sup>st</sup> March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	49,585.20	14,013.52	3,100.90	2,986.70	69,686.32
Projects temporarily suspended	-	-	-	-	-

As at 31<sup>st</sup> March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	15,885.33	7,699.53	5,449.42	4,595.18	33,629.46
Projects temporarily suspended	-	-	-	-	-

Details of projects forming part of CWIP and which have become overdue compared to their original plans or where cost is exceeded compared to original plans

As at 31<sup>st</sup> March 2023

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
4 <sup>th</sup> Evaporator of Phosphoric acid plant	5,946.09	-	-	-
Phosphoric acid plant expansion	17,941.93	-	-	-
Sulphuric acid plant	-	12,137.28	-	-

As at 31<sup>st</sup> March 2022

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
DAP Revamp	8,514.07	-	-	-
4 <sup>th</sup> Evaporator of Phosphoric acid plant	4,779.88	-	-	-
Phosphoric Acid Plant Expansion	10,533.04	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## 4(c) Right of use assets

Particulars	Right of use building	Right of use Land	Total Right of use assets
<b>As at 1<sup>st</sup> April 2022</b>	-	-	-
<b>Adjustments-on account of business acquisition (refer Note 44)</b>	<b>112.61</b>	<b>1,384.83</b>	<b>1,497.44</b>
Additions	112.44	125.11	237.55
<b>Total</b>	<b>225.05</b>	<b>1,509.94</b>	<b>1,734.99</b>
<b>Depreciation</b>			
<b>As at 1<sup>st</sup> April 2022</b>	-	-	-
Charge for the year	18.06	97.66	115.72
<b>Total</b>	<b>18.06</b>	<b>97.66</b>	<b>115.72</b>
<b>Net block</b>			
<b>As at 31<sup>st</sup> March 2023</b>	<b>206.99</b>	<b>1,412.28</b>	<b>1,619.27</b>

## 4(d) Intangible assets

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	Computer Software	Computer Software
<b>Gross block</b>		
Balance as at beginning of the year	425.88	421.36
Additions during the year	104.24	4.52
Disposals/discard during the year	-	-
Adjustments - on account of business acquisition (refer Note 44)	76.13	-
<b>Balance as at end of the year</b>	<b>606.25</b>	<b>425.88</b>
<b>Amortisation</b>		
Balance as at beginning of the year	339.65	310.81
Amortisation for the year	88.76	28.84
Deductions	-	-
Adjustments	-	-
<b>Balance as at end of the year</b>	<b>428.41</b>	<b>339.65</b>
<b>Net carrying amount as at end of the year</b>	<b>177.84</b>	<b>86.23</b>

## Note 5(a): Equity accounted investment

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Investment in associate</b>		
Unquoted investment in equity share at carrying value	289.43	278.52
512,500 (31 <sup>st</sup> March 2022: 512,500) ordinary shares of USD 1 each fully paid up of Zuari Yoma Agri Solutions Limited		
Share of profit/(loss) in associate	50.52	61.12
Effect of foreign currency translation reserve	(24.66)	(50.21)
<b>Net investment in associate</b>	<b>315.29</b>	<b>289.43</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 5(b): Investments

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of units	Amount	No. of units	Amount
<b>Mutual fund investments at fair value through profit or loss (unquoted)</b>				
Aditya Birla Money Manager Fund-direct	-	-	3,181,226.54	9,509.02
Axis Money Market Fund - Direct Plan	-	-	781,880.89	9,005.59
Nippon India Money Market Fund - Direct Growth Plan Growth Option	-	-	403,202.90	13,509.57
HDFC Mutual Fund - Money Market -Direct Growth	-	-	107,466.46	5,002.35
Kotak Mutual Fund - Money Market Fund	-	-	234,859.14	8,503.57
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	3,097,497.25	9,506.04
<b>Total investments</b>		<b>-</b>		<b>55,036.14</b>

## Note 6: Other Non Current Assets and Current Assets

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
Capital advances				
Related parties (refer Note 33)	1,124.19	-	112,656.46	-
Others	3,754.15	-	4,798.38	-
Advance to vendors:				
Related parties (refer Note 33)	-	150.53	-	1.34
Others	-	2,850.22	-	2,636.66
Less: Loss allowance	-	(32.00)	-	(32.00)
Claims receivable	218.28	2,902.37	218.28	1,620.11
Less: Loss allowance	(218.28)	-	(218.28)	-
Balance with statutory / government authorities	-	52,482.32	-	36,682.67
Prepaid expenses	7.16	2,218.14	64.40	1,423.94
Sales tax & entry tax deposits	8.01	3,050.98	8.01	2,596.52
Less: Loss allowance	(8.01)	-	(8.01)	-
Other deposits				
Related parties (refer Note 33)	89.32	-	42.00	-
Others*	925.22	425.80	715.29	151.15
<b>Total other assets</b>	<b>5,900.04</b>	<b>64,048.36</b>	<b>118,276.53</b>	<b>45,080.39</b>

\* Includes primarily deposits with vendors, service providers etc.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 7: Inventories

(Valued at the lower of cost and net realisable value)

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw materials	105,702.78	137,959.00
Finished goods	80,537.48	24,941.42
Traded goods	2,708.37	35,650.63
Intermediates (work in progress)	9,373.92	10,991.95
Stores, spare parts, chemical and fuel oil	11,595.81	5,604.36
Packing materials	647.67	990.96
By-Products	13,201.69	13,183.92
<b>Total inventories</b>	<b>223,767.72</b>	<b>229,322.24</b>

### Note:

- Inventories are pledged against the borrowings as further explained in Note 14(a) and 14(c).
- The cost of inventories recognised as expense includes ₹2,721.52 (31<sup>st</sup> March 2022: Nil) in respect of write down of inventories to net realisable value.
- Inventories includes inventories in transit as at the balance sheet date as under:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw materials	44,355.69	69,359.06
Finished goods	22,698.02	7,630.77
Traded goods	-	34,984.38
Stores and spare parts	1,719.00	1,000.67
<b>Total inventories in transit</b>	<b>68,772.71</b>	<b>112,974.88</b>

## Note 8: Trade receivables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade receivables considered good - secured	4,922.03	105.28
Trade receivables - unsecured*	354,630.88	92,154.68
From related parties (refer Note 33)		
Trade receivables considered good - unsecured	15,171.71	2,502.61
<b>Total trade receivables</b>	<b>374,724.62</b>	<b>94,762.57</b>
Less: Loss allowance	(5,750.87)	(4,515.03)
<b>Net trade receivables (refer note 'a' below)</b>	<b>368,973.75</b>	<b>90,247.54</b>

Trade receivables are carried at amortised cost which are a reasonable approximation of their fair value.

### \* Trade receivables - unsecured

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade receivable considered good	351,178.01	89,750.76
Trade receivables - which have significant increase in credit risk	3,452.87	2,403.92
<b>Total trade receivables unsecured</b>	<b>354,630.88</b>	<b>92,154.68</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- Includes subsidy receivable from the Government of India amounting to ₹ 306,937.59 (31<sup>st</sup> March 2022: ₹ 87,555.69)
- Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 14(a) and 14(c).
- Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35.

## Trade Receivable ageing schedule:

As at 31<sup>st</sup> March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables - considered good	293,117.22	59,231.82	1,596.19	2,401.62	1,527.54	8,037.84	365,912.23
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	5,359.52	5,359.52
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	902.72	165.43	2,384.72	3,452.87
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Gross trade receivable							374,724.62

As at 31<sup>st</sup> March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables - considered good	71,558.30	8,666.24	254.46	1,376.02	688.82	4,455.29	86,999.13
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	5,359.52	5,359.52
(v) Disputed Trade receivables - which have significant increase in credit risk	-	484.74	-	244.22	145.43	1,529.53	2,403.92
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Gross trade receivable							94,762.57



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 9(a): Cash and cash equivalents

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Balances with banks		
- On current accounts	23.46	26.23
- On cash credit accounts	4,279.76	3,583.16
- Deposit with original maturity of less than three months	-	50,174.52
Cash on hand	0.20	0.19
<b>Total cash and cash equivalents</b>	<b>4,303.42</b>	<b>53,784.10</b>

## Note 9(b): Bank balances other than above

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
- Deposits with banks with original maturity of more than three months and less than twelve months*	6,681.98	5,987.37
<b>Total bank balances other than above</b>	<b>6,681.98</b>	<b>5,987.37</b>

Bank balances other than above are carried at amortised cost which are a reasonable approximation of their fair value.

\*Pledged with Executive Engineer, Mahanadi South Division as security deposit ₹185.55 (31<sup>st</sup> March 2022: ₹343.89), against bank guarantee issued in favour of Regional Director, ESI Corporation, bhubaneswar ₹5.51 (31<sup>st</sup> March 2022: ₹ 5.00), against bank guarantee issued in favour of East Coast Railway : nil (31<sup>st</sup> March 2022: ₹291.16), cash margin fixed deposit issued against usance LC for supply of imported raw materials, capex and repayment of long term loan: ₹ 6,490.92 (31<sup>st</sup> March 2022: ₹5,347.32)

## Note 10: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Derivative instruments at fair value through profit or loss</b>				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	-	453.37
<b>Other financial asset at amortised cost*</b>				
Claims receivable:				
Related parties (refer Note 33)	-	32,556.51	-	32,583.56
Others	209.79	31.40	209.79	449.24
Less: Loss allowance	(209.79)	-	(209.79)	-
Interest receivable on deposits, receivables, etc:				
Related parties (refer Note 33)	-	55.63	-	-
Others	-	71.05	-	31.34
Receivables from Gas pool operator	-	961.03	-	-
Other receivable				
Related parties (refer Note 33)	-	42.65	-	326.85
<b>Total other financial assets</b>	<b>-</b>	<b>33,718.27</b>	<b>-</b>	<b>33,844.36</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 11: Assets classified as held for sale

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Discarded property, plant and equipment	23.26	23.96
<b>Total assets classified as held for sale</b>	<b>23.26</b>	<b>23.96</b>

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

## Note 12: Equity share capital

### (a) Details of authorised, issued, subscribed and fully paid up share capital:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Authorised share capital</b>		
900,000,000 (31 <sup>st</sup> March 2022: 900,000,000) equity shares of ₹ 10 each (31 <sup>st</sup> March 2022: ₹ 10 each)	90,000.00	90,000.00
10,000,000 (31 <sup>st</sup> March 2022: 10,000,000) 7% Non cumulative Redeemable preference shares of ₹ 100/- each (31 <sup>st</sup> March 2022: ₹100 each)	10,000.00	10,000.00
<b>Total authorised share capital</b>	<b>100,000.00</b>	<b>100,000.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
814,497,619 (31 <sup>st</sup> March 2022: 575,450,000) equity shares of ₹ 10 (31 <sup>st</sup> March 2022: ₹10) each fully paid	81,449.76	57,545.00
<b>Total equity share capital</b>	<b>81,449.76</b>	<b>57,545.00</b>

### (b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
Balance at the beginning of the year	57,54,50,000	57,545.00	57,54,500	57,545.00
Changes during the year	23,90,47,619	23,904.76	56,96,95,500	-
Balance at the end of the year	81,44,97,619	81,449.76	57,54,50,000	57,545.00

### (c) Terms/ rights attached to equity shares:

- 1) The Company has only one class of equity share having par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.
- 2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the respective shareholders.

### (d) Shares held by holding company are as below:

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	Amount	Number of equity shares	Amount
<b>Name of shareholder</b>				
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as Zuari Maroc Phosphates Limited (ZMPL))	45,69,42,507	45,694.25	46,29,61,000	46,296.10





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (e) Details of equity shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.10%	46,29,61,000	80.45%
President of India - Government of India (GOI)	-	-	11,24,89,000	19.55%
SBI Multicap Fund	4,76,68,663	5.85%		

(f) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(g) As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

## (h) Stock option schemes

Information relating to Employee Stock Option Plan, including details of options granted and lapsed during the financial year and options outstanding at the end of the reporting period is set out in Note 42(a).

## (i) Details of shareholding of promoters:

Name of equity shareholder	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.10%	46,29,61,000	80.45%
President of India - Government of India (GOI)	-	-	11,24,89,000	19.55%

# There is a reduction of 24.35% of shareholdings by the promoters during the year (no change in 2021-22).

## Note 13: Other equity

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Retained earnings	195,469.07	165,019.19
- Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/ loss of defined benefit plans.		
Securities premium	73,404.20	-
- Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.		
Share option outstanding reserve	197.83	-
- This reserve relates to stock options granted by the Company to eligible employees under PPL Employees Stock Option Plan 2021 ("ESOP 2021"). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.		
Foreign currency translation reserve (FCTR)	(50.63)	(64.45)
- Exchange differences on translating the financial statements of foreign operations		
<b>Total other equity</b>	<b>269,020.47</b>	<b>164,954.74</b>

Refer consolidated statement of changes in equity for movement in retained earnings during the years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Proposed dividend on equity shares not recognised as liability \*

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Proposed final dividend	4,072.49	-

The Board of Directors has recommended a dividend of 5% i.e. ₹0.50 per equity share of ₹10 each fully paid up.

\* Proposed dividend on equity shares is subject to approval of shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

## Note 14(a): Non-Current Borrowings

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current Maturities	Non-current	Current Maturities
<b>Secured</b>				
Rupee term loan from banks	61,188.79	35,893.02	52,817.08	16,769.79
Amount of current maturities disclosed under the head "current borrowings" (refer note 14(c))	-	(35,893.02)	-	(16,769.79)
<b>Total non-current borrowings</b>	<b>61,188.79</b>	<b>-</b>	<b>52,817.08</b>	<b>-</b>

Non-Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

## Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets.	Repayable in 20 quarterly instalments commenced from 31 <sup>st</sup> December 2018, of which first 8 quarterly instalments are of ₹ 500.00, next 4 quarterly instalments of ₹ 1000.00 and remaining 8 quarterly instalments of ₹ 1500.00	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.00% 8.35%
Rupee term loan from- Bank of India	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets.	Repayable in 16 quarterly instalments of ₹ 1337.50 commencing from 30 <sup>th</sup> September 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	7.75% 7.55%
Rupee term loan from Axis Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 7 quarterly instalments of ₹ 2698.00 commencing from 4 <sup>th</sup> April 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.30% -
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 16 quarterly instalments of ₹ 937.50 commencing from 31 <sup>st</sup> March 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	10.35% 8.20%



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of movable properties	Repayable in 10 quarterly instalments of ₹ 1500.00 commencing from 31 <sup>st</sup> March 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.75% 7.25%
Rupee term loan from- SBI	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 850.00 commencing from 1 <sup>st</sup> October 2023.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.85% 9.00%
Rupee term loan from- HDFC	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 650.00 commencing from 1 September 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	9.00% -
Rupee term loan from- Indian Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 325.00 commencing from 1 <sup>st</sup> December 2022.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.85% -
Rupee term loan from- Canara Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets.	Repayable in 20 quarterly instalments of ₹ 1640.00 commencing from 1 <sup>st</sup> January 2025.	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	8.90% -

## Note 14(b): Lease Liabilities

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
Lease Liabilities*	1,603.78	77.32	-	-
<b>Total non-current borrowings</b>	<b>1,603.78</b>	<b>77.32</b>	<b>-</b>	<b>-</b>

\* Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 <sup>st</sup> March 2023
Opening	-
Adjustments-on account of business acquisition (refer Note 44)	1,444.10
Additions	285.79
Accretion of interest	98.16
Payments	(146.95)
<b>Closing</b>	<b>1,681.10</b>

The effective interest rate for lease liabilities is 7.43%, with maturity between 2022-2048.

## Maturity profile of lease liability

Ageing	Total rent payments	Interest payment	Net Amount
Less than 1 year	199.60	122.28	<b>77.32</b>
1-3 years	622.43	327.41	<b>295.02</b>
3-5 years	431.75	176.80	<b>254.95</b>
> 5 years	1,838.07	784.26	<b>1,053.81</b>
<b>Total</b>	<b>3,091.85</b>	<b>1,410.75</b>	<b>1,681.10</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 14(c): Current Borrowings

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>From banks:</b>		
<b><u>Secured</u></b>		
<b>Loans repayable on demand</b>		
Cash credit	-	16.64
<b>Other loans</b>		
Working capital demand loan	80,016.30	-
Buyer's credit	124,943.60	132,502.88
Supplier's credit	133,900.61	67,323.18
Local bills discounted with bank	19,981.32	-
Other loans from bank	6,250.00	25,000.00
Current maturity of non-current borrowings	35,893.02	16,769.79
<b><u>Unsecured</u></b>		
Other loans from bank	936.68	1,000.00
<b>Total current borrowings</b>	<b>401,921.53</b>	<b>242,612.49</b>

Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

### Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period	Principal Amount	Effective interest rate
Cash credit (secured)	First charge by way of hypothecation on all current assets	Repayable on demand	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	- 16.64	8.85% 8.15%
Working capital demand loan (WCDL) (secured)	all current assets and second charge on all immovable & movable properties of the Company (other than certain current assets hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis.	Repayable over a period of 11 to 91 days	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	80,016.30 -	8.24% -
Supplier's credit(secured)/ buyer's credit (secured)	hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis.	Repayable over a period of 7 to 180 days	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	258,844.21 199,826.06	6 month LIBOR/SOFR plus 0.25% to 0.75% 6 month LIBOR /SOFR plus 0.10% to 0.75%
Local Bills discounted with bank (secured)	The loan is secured against 100% fixed deposit	Repayable over a period of 91 to 180 days	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	19,981.32 -	8.23% -
Others loans (secured)	Unsecured	Repayable on demand	31 <sup>st</sup> March 2023 31 <sup>st</sup> March 2022	6,250.00 25,000.00	7.35% 4.70%
Others Loans (unsecured)				936.68 1,000.00	7.51% 7.51%



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Details of securities as reported in the books vis-à-vis quarterly return:

Particulars of securities	Name of the bank	Quarter	Amount as per books of accounts	Amount as reported in the qtrly return	Amount of difference	Reason of material difference
Inventory	State Bank of India	Jun-22	172,363.84	177,322.02	(4,958.17)	Difference in inventory on
Receivables			268,278.21	268,203.00	75.21	account of
Other Current Assets			52,426.04	60,530.03	(8,103.99)	provisional
<b>Total</b>			<b>493,068.09</b>	<b>506,055.05</b>	<b>(12,986.95)</b>	valuation and non
Inventory	State Bank of India	Sep-22	265,742.23	270,524.02	(4,781.79)	consideration of
Receivables			310,969.30	317,776.46	(6,807.16)	certain items of
Other Current Assets			52,610.33	37,241.41	15,368.92	stores and spares,
<b>Total</b>			<b>629,321.86</b>	<b>625,541.89</b>	<b>3,779.97</b>	Difference in
Inventory	State Bank of India	Dec-22	264,794.51	265,871.95	(1,077.44)	receivables and
Receivables			378,190.83	379,014.19	(823.36)	other assets is on
Other Current Assets			51,494.68	44,632.34	6,862.34	account of setoff/
<b>Total</b>			<b>694,480.02</b>	<b>689,518.47</b>	<b>4,961.55</b>	reclassification of
						current asset and
						current liability.

## Note 15: Other financial liabilities

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Derivatives not designated as hedges</b>				
Foreign-exchange forward contracts	-	1,628.93	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	-	1,628.93	-	-
<b>Other financial liabilities at amortised cost*</b>				
Earnest money/Security deposits				
Others	-	12,804.58	-	3,166.26
Employee related dues	180.42	3,886.71	286.71	2,558.41
Creditors for property, plant and equipments (including retention money from contractors/suppliers)				
Related Parties (refer Note 33)	-	-	-	42.53
Others	-	1,764.38	-	1,740.65
Interest accrued but not due on borrowings	-	2,483.62	-	258.91
Payable against business acquisition (refer Note 33)	-	1,434.89		
<b>Total other financial liabilities at amortised cost</b>	<b>180.42</b>	<b>22,374.18</b>	<b>286.71</b>	<b>7,766.76</b>
<b>Total other financial liabilities</b>	<b>180.42</b>	<b>24,003.11</b>	<b>286.71</b>	<b>7,766.76</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 16: Provisions

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Non-current	Current	Non-current	Current
<b>Provision for employee benefits* (refer Note 32)</b>				
Post retirement medical benefits	143.29	11.15	154.91	11.12
Gratuity	465.99	72.09	1,548.14	222.91
Leave salary	-	5,269.33	-	3,832.40
<b>Other provisions (refer Note 'a' below)</b>				
Contractors	1,769.93	-	951.78	-
Others				
- Capital expenditure	-	250.18	-	250.18
- Others	-	3,397.81	-	3,207.96
<b>Total provisions</b>	<b>2,379.21</b>	<b>9,000.56</b>	<b>2,654.83</b>	<b>7,524.57</b>

\* The classification of current/non current for provision for employee benefits has been determined by the actuary of the Company, based upon estimated amount of cash outflow during the next 12 months from the balance sheet date.

### Note a: The movement for "Other provisions" during the year is as follows:

Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset"

#### Capital expenditure

	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Capital Expenditure **	Contractors	Others **	Capital Expenditure **	Contractors	Others **
Opening balance	250.18	951.78	3,207.96	250.18	595.87	3,023.88
Adjustment on account of business acquisition (refer note 44)	-	829.24	-	-	-	-
Provision made during the year	-	(11.09)	189.85	-	355.91	184.08
<b>Closing balance**</b>	<b>250.18</b>	<b>1,769.93</b>	<b>3,397.81</b>	<b>250.18</b>	<b>951.78</b>	<b>3,207.96</b>

\*\* Closing balance includes the following provisions

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Capital Expenditure **	Others **	Capital Expenditure **	Others **
Ground rent (refer note i below)	-	2,876.70	-	2,693.56
Land compensation (including interest) (refer note ii below)	250.18	-	250.18	-
Employees' state insurance (refer note iii below)	-	227.67	-	220.96
Provision for others (freight claims)	-	293.44	-	293.44
	<b>250.18</b>	<b>3,397.81</b>	<b>250.18</b>	<b>3,207.96</b>

- The Land Policy of Port land has been revised as per the Land Policy Guidelines issued by the Ministry of Shipping, Government of India. Pursuant to the said policy and pending outcome of negotiation with Paradeep Port Trust, the Company has made provision towards ground rent, interest and taxes amounting to ₹ 2,876.70 (31<sup>st</sup> March 2022: ₹ 2,693.56) against the demand raised by Paradeep Port Trust.
- In terms of meeting for amicable settlement of dispute the additional compensation to the land losers, under the chairmanship of the Collector and District Magistrate, Jagatsinghpur, it was decided to pay additional compensation at the rate fixed to the claimants through the Special Land Acquisition Officer (Spl. LAO), Government of Odisha. Since the disbursement process to land losers had started in the financial year 2010-11 through Spl. LAO, the Company had accounted for total estimated liability of ₹ 566.01 (including interest of ₹ 418.01) during the financial year 2010-11. The outstanding liability as on 31<sup>st</sup> March 2023 stands at ₹ 250.18 (31<sup>st</sup> March 2022: ₹ 250.18) after making payment to Spl. LAO.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- iii. Employees' State Insurance Corporation (ESIC) raised various demands against the Company in respect of both contract labourers and employees in earlier years, which were contested by the Company in various Courts and Authorities. The Company is continuing with the provision existing in the books as on 31<sup>st</sup> March 2023 as ₹ 227.67 (31<sup>st</sup> March 2022: ₹ 220.96)

## Note 17: Income Tax

### A. Amount recognised in the profit or loss

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Current tax expense:</b>		
Current year	9,629.93	13,721.45
Income Tax for earlier year	333.15	-
<b>Deferred tax charge / (credit):</b>		
Relating to origination and reversal of temporary differences	2,234.64	(67.54)
<b>Total tax expense</b>	<b>12,197.72</b>	<b>13,653.91</b>

### B. Amount recognised in the Other Comprehensive Income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Deferred tax charge / (credit) to remeasurement of defined benefit liability	23.23	(15.58)

### C. Reconciliation of effective tax rate

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Profit before income tax from continuing operations	<b>42,616.98</b>	<b>53,499.23</b>
Less: Share of profit from associate	50.52	61.12
Profit before income tax	42,566.46	53,438.11
At India's statutory income tax rate of 25.168%	10,713.13	13,449.30
<b>Tax effects of amount which are not deductible / (taxable) in calculating taxable income -</b>		
CSR expenditure	189.85	142.40
Interest on income tax under Section 220(2) of IT Act 1961	-	(70.63)
Interest under Section 234B/234C	29.56	121.94
Impact of WDV due to reassessment of carrying value of assets	141.97	-
On stamp duty	772.63	-
Others	17.43	10.90
<b>Effective tax charge</b>	<b>11,864.57</b>	<b>13,653.91</b>
Add: Tax impact for earlier years	333.15	-
<b>Tax expenses as per the Statement of Profit and Loss</b>	<b>12,197.72</b>	<b>13,653.91</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## D. Movement in Deferred tax balances

	Balance as at 1 <sup>st</sup> April 2022	Recognised in profit or loss	Recognised in OCI	On account of business acquisition	Balance as at 31 <sup>st</sup> March 2023
<b>Deferred tax liabilities</b>					
Property, plant and equipment (including intangible assets)	14,110.91	2,120.72	-	-	16,231.63
On account of statutory dues	641.47	8.87	-	-	650.34
<b>Total deferred income tax liabilities</b>	<b>14,752.38</b>	<b>2,129.59</b>	<b>-</b>	<b>-</b>	<b>16,881.97</b>
<b>Deferred tax assets</b>					
Effect of loss allowance	1,254.25	231.04	-	80.02	1,565.31
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,602.07	(382.22)	(23.23)	617.94	3,814.56
Provision for other liabilities	677.95	46.13	-	-	724.08
<b>Total deferred income tax assets</b>	<b>5,534.27</b>	<b>(105.05)</b>	<b>(23.23)</b>	<b>697.96</b>	<b>6,103.95</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>9,218.11</b>	<b>2,234.64</b>	<b>23.23</b>	<b>(697.96)</b>	<b>10,778.02</b>
	<b>Balance as at 1<sup>st</sup> April 2021</b>	<b>Recognised in profit or loss</b>	<b>Recognised in OCI</b>		<b>Balance as at 31<sup>st</sup> March 2022</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment (including intangible assets)	13,933.52	177.39	-	-	14,110.91
On account of statutory dues	641.47	-	-	-	641.47
<b>Total deferred income tax liabilities</b>	<b>14,574.99</b>	<b>177.39</b>	<b>-</b>	<b>-</b>	<b>14,752.38</b>
<b>Deferred tax assets</b>					
Effect of loss allowance	993.48	260.77	-	-	1,254.25
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,646.95	(60.46)	15.58	-	3,602.07
Provision for other liabilities	633.33	44.62	-	-	677.95
MAT credit entitlement	-	-	-	-	-
<b>Total deferred income tax assets</b>	<b>5,273.76</b>	<b>244.93</b>	<b>15.58</b>	<b>-</b>	<b>5,534.27</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>9,301.23</b>	<b>(67.54)</b>	<b>(15.58)</b>	<b>-</b>	<b>9,218.11</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 18: Trade payables

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Total outstanding dues of micro enterprises and small enterprises	667.47	818.76
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer Note 33)	76,914.70	110,304.81
- Others	113,665.50	116,216.30
	<b>191,247.67</b>	<b>227,339.87</b>

Trade payables are carried at amortised cost which are a reasonable approximation of their fair value.

Trade payables include acceptances from related parties and others amounting to ₹73,453.96 and ₹71,306.69 (31<sup>st</sup> March 2022: ₹ 54,286.38 and ₹ 98,883.61) respectively.

### Note:

Trade payables and acceptances are non-interest bearing and are normally settled on 30 to 180 day terms.

The amount due to Micro and small enterprises as defined under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such suppliers have been identified on the basis of information available with the Company. The details are as under:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
(i) the principal amount remaining unpaid at the end of financial year	667.47	818.76
interest due thereon remaining unpaid to any supplier as at the end of financial year	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of the year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Trade payable ageing schedule

As at 31<sup>st</sup> March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
(i) MSME	-	667.47	-	-	-	667.47
(ii) Others	4,273.43	168,499.93	1,572.19	196.01	701.74	175,243.30
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	15,336.90	-	-	-	-	15,336.90
<b>Total</b>	<b>19,610.34</b>	<b>169,167.40</b>	<b>1,572.19</b>	<b>196.01</b>	<b>701.74</b>	<b>191,247.67</b>

As at 31<sup>st</sup> March 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
(i) MSME	-	818.76	-	-	-	818.76
(ii) Others	-	215,534.97	535.56	766.19	508.89	217,345.61
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	9,175.50	-	-	-	-	9,175.50
<b>Total</b>	<b>9,175.50</b>	<b>216,353.73</b>	<b>535.56</b>	<b>766.19</b>	<b>508.89</b>	<b>227,339.87</b>

## Note 19: Other current liabilities

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Rebate liabilities	2,455.00	2,401.01
Interest on statutory dues	89.13	482.66
Statutory dues	7,891.53	10,733.91
Advance from customers	1,118.84	1,283.27
	<b>11,554.50</b>	<b>14,900.85</b>

## Note 20: Revenue from operations

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Sale of products	476,987.91	387,574.95
Subsidy from the Government of India on fertilizers (refer note (c) below)	856,302.14	397,722.70
Other operating revenues - Export incentive	-	49.27
- Scrap sales	782.14	525.00
<b>Revenue from operations *</b>	<b>1,334,072.19</b>	<b>785,871.92</b>

\* Revenue is net of rebates, discounts and goods and service tax.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (a) Reconciliation of revenue recognised with contract price:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Contract price	1,345,229.04	799,001.12
Adjustment for:		
Variable considerations - rebates	(11,156.85)	(13,129.20)
<b>Revenue from operations</b>	<b>1,334,072.19</b>	<b>785,871.92</b>

## (b) Contract balances

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Contract assets - trade receivables	368,973.75	90,247.54
Contract liabilities - advance from customers	1,118.84	1,283.27

The contract liabilities convert to revenue within one year from the reporting date.

## (c) Subsidy from Government of India on fertilizers:

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
On finished goods [including freight subsidy ₹ 30,624.72 (31 <sup>st</sup> March 2022: ₹ 17,659.97)]	827,811.98	355,622.91
On traded goods [including freight subsidy ₹ 1,070.68 (31 <sup>st</sup> March 2022: ₹ 1,949.19)]	28,490.16	42,099.79
	<b>856,302.14</b>	<b>397,722.70</b>

## Note 21: Other income

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest income on:		
Bank deposits*	625.39	268.09
Income tax refund	39.02	-
Others*	361.11	31.90
Rent income	304.13	276.23
Loss allowance written back	474.91	758.42
Excess provision/unclaimed balances written back	6,408.08	969.05
Profit on sale of current investments	93.36	635.85
Gain on fair valuation of investments measured at fair value through profit or loss	-	38.13
Miscellaneous income	801.00	949.32
	<b>9,107.00</b>	<b>3,926.99</b>

\* Interest income calculated using effective interest method in relation to financial assets carried at amortised cost.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 22: Cost of raw materials consumed

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Inventory at the beginning of the year	137,959.00	37,928.44
Add: Purchases	1,062,105.55	623,200.05
Add: Adjustment on account of business acquisition (refer note 44)	3,209.19	-
Less: Inventory at the end of the year	(140,981.86)	(137,959.00)
Less: Traded goods transferred from raw materials	(19,207.63)	(1,631.45)
Add: Traded goods transferred to raw materials	885.27	3,084.25
<b>Cost of raw materials consumed</b>	<b>1,043,969.52</b>	<b>524,622.29</b>

## Note 23: Changes in inventories of finished goods, stock-in-trade and work in progress

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Opening stock</b>		
- Finished goods	24,941.42	13,520.24
- Intermediates (work in progress)	10,991.95	7,158.97
- By-Products	13,183.92	13,138.07
- Traded goods (stock in trade)	35,650.63	13,079.27
<b>Total (A)</b>	<b>84,767.92</b>	<b>46,896.55</b>
<b>Add:- Adjustment on account of business acquisition (refer note 44)</b>		
- Finished goods	1,742.67	-
- Intermediates (work in progress)	45.39	-
- Traded goods (stock in trade)	65.39	-
<b>Total (B)</b>	<b>1,853.45</b>	<b>-</b>
<b>Less: Closing stock</b>		
- Finished goods	80,537.48	24,941.42
- Intermediates (work in progress)	9,373.92	10,991.95
- By-Products	13,201.69	13,183.92
- Traded goods (stock in trade)	2,708.37	35,650.63
<b>Total (C)</b>	<b>105,821.46</b>	<b>84,767.92</b>
Traded goods transferred from raw materials	(19,207.63)	(1,631.45)
Traded goods transferred to raw materials	885.27	3,084.25
<b>Total (D)</b>	<b>(18,322.36)</b>	<b>1,452.80</b>
<b>(Increase)/ decrease in inventories of finished goods, stock-in trade and work-in-progress (A+B-C-D)</b>	<b>(877.73)</b>	<b>(39,324.17)</b>

## Note 24: Employee benefits expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Salaries, wages and bonus	17,091.03	11,166.86
Contribution to provident and other funds (refer Note 32)	1,256.38	900.75
Gratuity (refer Note 32)	405.20	327.06
Staff welfare expenses	2,369.81	1,455.77
Share based payments (equity settled)	197.83	-
<b>Total employee benefits expense</b>	<b>21,320.25</b>	<b>13,850.44</b>

The Code of Social Security, 2020 ("the Code") relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 25: Finance costs

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Interest expense on liabilities measured at amortised cost*	19,749.45	1,831.73
Exchange differences to the extent considered as an adjustment to borrowing costs	5,260.88	3,836.98
Bank charges	3,972.26	2,402.77
Interest on income tax	141.66	482.66
<b>Total finance costs</b>	<b>29,124.25</b>	<b>8,554.14</b>

\* Net of amount included in the cost of qualifying assets.

## Note 26: Depreciation and amortisation expense

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Depreciation of property, plant and equipment (refer Note 4(a))	17,310.39	9,016.44
Amortisation of intangible assets (refer Note 4(d))	88.76	28.84
Amortisation of right of use assets (refer Note 4(a) and 4(c))	116.16	0.44
<b>Total depreciation and amortisation expense</b>	<b>17,515.31</b>	<b>9,045.72</b>

## Note 27: Other expenses

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Consumption of stores and spare parts	4,996.20	3,497.88
Consumption of packing materials	8,989.11	5,304.42
Chemical consumed	3,111.29	2,365.54
Catalysts consumed	525.15	471.75
Payment to contractors for bagging and other services	6,165.52	4,654.62
Power and fuel	62,609.91	7,016.15
Water charges	1,425.18	696.92
Rent [refer note (ii) below]	1,234.38	261.34
Rates and taxes	3,155.89	102.53
Insurance	2,106.21	1,385.93
Repairs and maintenance:	-	-
Plant and machinery	4,872.59	2,710.27
Buildings	659.02	718.02
Others	856.92	691.22
Selling and distribution expenses:	-	-
Freight and handling	48,100.77	30,116.85
Warehouse rent	562.32	333.51
Commission	570.36	811.22
Publicity and sales promotion expenses	1,060.03	780.52
Other selling expenses	391.44	525.21
Travelling and conveyance expenses	959.63	428.46
Professional, consultancy and legal expenses	815.19	462.74
Corporate social responsibility expenditure	754.32	565.77
Donation	0.75	-
Payment to statutory auditors [refer note (i) below]	142.83	89.26
Exchange differences (net)	8,579.42	5,389.41

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Bad debts, claims and advances written off, net of provision of ₹ 56.55 (31 <sup>st</sup> March 2022: ₹ 301.34)	68.73	10.23
Loss allowance	1,239.90	2,095.78
Loss on sale/discard of property, plant and equipment (net)	1,511.90	1,289.42
Miscellaneous expenses	5,870.05	4,009.23
<b>Total other expenses</b>	<b>171,335.01</b>	<b>76,784.20</b>

## (i) Auditors' remuneration

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
As auditors		
- Statutory audit	55.00	22.00
- Tax audit	8.00	3.00
- Other services	72.62	55.00
Reimbursement of expenses	7.21	9.26
	<b>142.83</b>	<b>89.26</b>

## (ii) Leases

### Short-term leases

The Company leases office which are considered to be short-term leases as the agreement is for the period of 12 months and below.

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Expenses relating to short-term leases	1,234.38	261.34
Total cash outflow for leases	1,234.38	261.34

Lease payments for short-term leases not included in the measurement of the lease liability and are classified as cash flows from operating activities.

## Note 28: Earnings per share

### A. Basic and diluted earnings per share

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
(i) Profit for the year, attributable to the equity holders of the Company	30,419.26	39,845.32
(ii) Weighted average number of equity shares - Nominal value of shares at ₹10 each ^		
Basic	77,97,86,595	57,54,50,000
Diluted	78,01,38,968	57,54,50,000
(iii) Earnings per share (Basic) [(i)/ (ii)]	3.90	6.91
(Diluted) [(i)/ (ii)]	3.90	6.91

^ The calculation of basic and diluted weighted average number of shares include impact of shares issued during the year by way of the initial public offer.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 29: Contingent liabilities (to the extent not provided for)

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Claims against company not acknowledged as debt</b>		
Subsidy withheld (refer Note (a) below)	5,352.12	5,352.12
Goods and services tax demand (refer Note (b) below)	182.72	1,999.90
Entry tax demand on imported raw materials including interest and penalty	2,909.39	2,909.39
Sales tax/VAT/CST demands (refer Note (c) below)	10,561.64	10,589.33
Central Excise demands for March 2011	234.14	236.91
Service tax demand (refer note (d) below)	88.80	134.59
Custom duty and countervailing duty (refer Note (e) below)	582.44	109.97
Income tax demands	284.33	428.71
Demand towards contribution to Water Conservation Fund	-	2,322.50
Demand under Goa green Cess Act 2013 (refer Note (f) below)	4,291.34	-
Others claims against the Company not acknowledged as debt (refer Note (g) below)	3,868.12	3,308.03

### a) Subsidy withheld

Department of Fertilizer, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to ₹ 5352.12, being the subsidy amount including freight subsidy. The amount has been withheld on the basis of samples collected by the Department from Mundra Port which were reported to be deficient on account of water soluble P2O5 content as per Fertilizer Control Order (FCO) but there was no deficiency as regards to the nutrient content. The Company has represented to the Department of Fertilizers to re-examine the case on the following grounds – (a) Failure is on account of water solubility and not on account of nutrient content. The nutrient content on which the Nutrient Based Subsidy is paid meets the FCO specifications (b) Water Solubility is more than 85% of the total P2O5 (c) All precautions were taken at the load port on having an international recognised inspection agency based on which the goods were shipped and dispatched and (d) The intimation on the original sample failure as well as the referee sample failure were received long after materials were dispatched well beyond the dispatch of the material to various destinations. Based on the revised notification from GOI dated 6<sup>th</sup> February 2017, water soluble P2O5 content of DAP is revised to 39.5% instead of 41%. DAP import for which the amount withheld has water soluble content of 39.53%. Further, vide Notification no 3-9/2008 Fert Law dated 18<sup>th</sup> November 2011 in which Triple Super Phosphate (TSP) with total P2O5 content of 46% and water soluble content of only 36.8% has been allowed to be imported and paid subsidy for 46% of P2O5. Based on above, the Company has made a representation that as per revised notification, water soluble content is as per norms and further permitting a product with same total P2O5 and less water soluble P2O5 as standard and declaring a product imported by the Company with 39.53% as non-standard is not fair. The Company is confident to receive a favorable outcome.

### b) Goods and service tax demand

Demand under GST Act in respect of erroneous refund of GST for the period July 2017 to January 2018 under inverted structure.

- Interest appropriation on Demand raised by CGST, Goa on account of GST refund on services under inverted duty structure from July 2017 to March 2018 towards financial year 2017-18.
- Penalty towards wrongful availment of Transitional credit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### c) Sales tax/VAT/CST demands

Sales tax/VAT/CST demand includes the following:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
CST demand for the FY 2005-06 due to rejection of Branch transfers and export sales	10,420.51	10,420.51
VAT demand for the year 2005-06 in Bihar region on account of VAT assessment	37.69	37.69
CST demand for Telangana for non-submission of declaration forms	51.48	51.48
VAT demand for Odisha due to input tax credit mismatch	51.96	51.96
VAT demand for Maharashtra due to input tax credit mismatch	-	1.02
CST demand for Maharashtra for non-submission of declaration forms.	-	26.67
	<b>10,561.64</b>	<b>10,589.33</b>

### d) Service tax demands

Service tax demands include service tax on mediation fee Nil for 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 45.79). Further it also includes service tax demand on water charges paid to State Government for the period April 16 to June 17 of ₹ 88.80 for 31<sup>st</sup> March 2023 (31<sup>st</sup> March 2022: ₹ 88.80).

### e) Custom duty and countervailing duty

- Countervailing Duty (CVD) paid and refund claimed on MOP and Sulphuric Acid, BCD on discount received and Custom duty on demurrage.
- Rejection of transaction value with respect to its import of MOP from unrelated party
- Denial of concessional rate basic custom duty
- Penalty towards denial of concessional rate Counter veiling duty
- Demand for wrongful availment on exemption notification based on SEIS scrips

### f) Green Cess

Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas.

### g) Others claims against the Company not acknowledged as debt

It includes the following:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Penal interest on loan from Government of India, due to delay	344.43	344.43
Industrial dispute and miscellaneous labour cases pending at various forums at different stages of dispute.	493.99	480.11
Interest on water charges due to delay in payments	2,845.49	2,243.65
Others	184.21	239.84
	<b>3,868.12</b>	<b>3,308.03</b>

Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in the above mentioned cases and hence, no provision is considered necessary. The above has been compiled based on the information and records available with the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 30: Commitments

### Capital commitments

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	16,206.88	68,250.97

## Note 31: Segment reporting

### a. Basis of segmentation

The Company's business activity falls within a single primary Operating Segment "Fertilizers and Other Trading Materials", and thus no further disclosures are required in accordance with Indian Accounting Standard (Ind AS)– 10 "Operating Segment".

### b. Geographic information

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

## Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

### Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1976. The scheme is funded with Life insurance Corporation of India (LIC) in the form of qualifying insurance policy. The Company undertakes all the risk pertaining to the plan.

### Post Retirement medical benefit plan

The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company.

### Provident fund

The Company has set up provident fund trust wherein contributions are made and accordingly the same is considered as a defined benefit plan in accordance with Ind-AS 19, Employee Benefits, wherein provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. During the current year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by the Institute of Actuaries.

### A. Defined contribution plan:

The amount provided for defined contribution plans are follows:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Pension Scheme	203.07	135.93
Superannuation Fund	195.07	138.82
National Pension Scheme	148.69	87.48
<b>Total</b>	<b>546.83</b>	<b>362.23</b>

### B. Gratuity and other post-employment benefit plans:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Gratuity Plan - (Liability)	(538.08)	(1,771.05)
Post retirement medical benefits plan - (Liability)	(154.44)	(166.03)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## C. Other long term employee benefits:

The amount provided for during the year is as follows:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Leave encashment	718.01	(361.78)

## D. Reconciliation of the net defined benefit (asset)/ liability

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

### Gratuity plan:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
<b>Balance at the beginning of the year</b>	(5,500.19)	3,729.15	(1,771.05)	(5,577.83)	4,097.26	(1,480.57)
<b>Adjustment on account of business acquisition (refer Note 44)</b>	(1,401.08)	1,196.67	(204.41)	-	-	-
<b>Included in Profit or loss</b>						
Current service cost	(266.52)	-	(266.52)	(228.67)	-	(228.67)
Past service cost	-	-	-	-	-	-
Net interest expense/income	(479.47)	340.79	(138.68)	(370.66)	272.28	(98.39)
	<b>(745.99)</b>	<b>340.79</b>	<b>(405.20)</b>	<b>(599.33)</b>	<b>272.28</b>	<b>(327.06)</b>
<b>Included in OCI</b>						
Return on plan assets (excluding amounts included in net interest expense)	-	(23.93)	(23.93)	-	(25.84)	(25.84)
Actuarial loss (gain) arising from experience adjustment	77.07	-	77.07	(27.97)	-	(27.97)
Changes in financial assumptions	15.82	-	15.82	90.69	-	90.69
Changes in demographic assumptions	-	-	-	-	-	-
	<b>92.89</b>	<b>(23.93)</b>	<b>68.96</b>	<b>62.72</b>	<b>(25.84)</b>	<b>36.88</b>
<b>Others</b>						
Benefits paid	838.46	(838.46)	-	614.55	(614.55)	-
Contributions paid by employer	-	1,771.00	1,771.00	-	-	-
Other adjustments	2.62	-	2.62	(0.30)	-	(0.30)
<b>Balance at the end of the year</b>	<b>(6,713.30)</b>	<b>6,175.21</b>	<b>(538.08)</b>	<b>(5,500.19)</b>	<b>3,729.15</b>	<b>(1,771.05)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Post retirement medical benefits plan:

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
<b>Balance at the beginning of the year</b>	(166.03)	-	(166.03)	(63.05)	-	(63.05)
<b>Included in Profit or loss</b>						
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Net interest expense/income	(11.78)	-	(11.78)	(4.18)	-	(4.18)
	<b>(11.78)</b>	<b>-</b>	<b>(11.78)</b>	<b>(4.18)</b>	<b>-</b>	<b>(4.18)</b>
<b>Included in OCI</b>						
Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-	-	-
Actuarial loss (gain) arising from experience adjustment	18.99	-	18.99	(101.55)	-	(101.55)
Changes in financial assumptions	4.38	-	4.38	6.30	-	6.30
Changes in demographic assumptions	-	-	-	(3.55)	-	(3.55)
	<b>23.37</b>	<b>-</b>	<b>23.37</b>	<b>(98.80)</b>	<b>-</b>	<b>(98.80)</b>
<b>Balance at the end of the year</b>	<b>(154.44)</b>	<b>-</b>	<b>(154.44)</b>	<b>(166.03)</b>	<b>-</b>	<b>(166.03)</b>

## E. Investment pattern in plan assets:

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	Gratuity Fund	Gratuity Fund
Investment with insurers	100.00%	100.00%

## F. Economic assumptions

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	%	%
<b>Discount rate:</b>		
Gratuity plan	7.45%	7.10%
Post retirement medical benefits	7.45%	7.10%
<b>Future salary increase:</b>		
Gratuity plan	8% for first two years and 6.50% thereafter	8% for first two years and 6.50% thereafter



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### G. Sensitivity analysis

#### Gratuity plan:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Provident Fund	Gratuity Fund	Provident Fund
<b>Assumption: Discount rate</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(369.70)	417.46	(297.02)	332.61
<b>Assumption: Future salary increase</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	311.20	438.32	246.39	(253.94)

#### Post retirement medical benefits plan:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Provident Fund	Gratuity Fund	Provident Fund
<b>Assumption: Discount rate</b>				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(11.45)	13.07	(13.01)	14.94

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

### H. Maturity Profile of Defined benefit obligation:

Particulars	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	Gratuity Fund	Post retirement medical benefits plan	Gratuity Fund	Post retirement medical benefits plan
Within next 12 months	880.38	11.15	692.26	11.12
Between 2 and 5 years	3,987.37	47.67	3,256.91	48.01
Between 6 and 10 years	2,951.26	64.59	2,698.03	66.30
Beyond 10 Years	4,082.76	160.47	2,518.29	180.80

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting year is 5 years (31<sup>st</sup> March 2022: 6 years).

The Company expects to contribute ₹ 313.88 (31<sup>st</sup> March 2022: ₹ 335.89) and ₹ 642.30 (31<sup>st</sup> March 2022: ₹ 703.43) to gratuity trust and provident fund trust respectively in the next financial year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## I. Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above defined benefit which are as follows:

Interest rate risk	The present value of defined benefit obligation is determined using the discount rate based on the market yield prevailing at the end of the reporting period on Government Bonds. A decrease in yield will increase the fund liabilities and vice-versa.
Investment Risk	This may arise from volatility in the assets value due to market fluctuation and impairment of assets due to credit losses. These plan assets are invested with LIC - the valuation of which is inversely proportional to the interest rate movements.
Inherent risk	The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Withdrawal risk	Deviations in actual withdrawal than assumed withdrawals and change of withdrawal rates at subsequent valuation can impact plan liability.

## Note 33: Related Party Disclosure

### A. Name of Related Parties

#### Holding Company

Zuari Maroc Phosphates Private Limited

#### Joint Venturer of the Holding Company

Zuari Agro Chemicals Limited

OCP S.A., Morocco

#### Subsidiary of the Joint Venturer of the Holding Company

Mangalore Chemicals and Fertilizers Limited

Zuari FarmHub Limited

#### Party having significant influence

Indian Furniture Products Limited

Zuari Industries Limited

Zuari Management Services Limited

Zuari Insurance Broker Limited

Zuari Infracore India Limited

Zuari Rotem Speciality Fertilizers Limited

Zuari Indian Oil Tanking Limited

Simon India Limited

Phosphates De Boucraa SA

Pakistan Maroc Phosphore

Jorf Fertilizer SA

Adventz Finance Private Limited



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

### **Joint Venture of Joint Venturer of the Holding Company**

Indo Maroc Phosphare S.A. Morocco

### **Associate of the Company**

Zuari Yoma Agri Solutions Limited

### **Key Managerial Personnel**

Mr. N. Suresh Krishnan, Managing Director (w.e.f. 16<sup>th</sup> February 2020)

Mr. Ranjit Singh Chugh, Chief Operating Officer (upto 31<sup>st</sup> December 2021)

Mr. Sabaleel Nandy, President & Chief Operating Officer (w.e.f. 1<sup>st</sup> August 2020 upto 31<sup>st</sup> March 2023)

Mr. Sailesh Pati, Chief Financial Officer (upto 10<sup>th</sup> August 2021)

Mr. Bijoy Kumar Biswal, Chief Financial Officer (w.e.f. 31<sup>st</sup> January 2022)

Mr. Sisir Kumar Mishra, Company Secretary (w.e.f. 9<sup>th</sup> August 2019 up to 31<sup>st</sup> August 2020)

Mr. Sachin Patil, Company Secretary (w.e.f. 4<sup>th</sup> November 2020)

### **Directors**

Mr. S. K. Poddar, Chairman

Mrs. Ghislane Guedira, Director (upto 24<sup>th</sup> May 2021)

Mr. Karim Lotfi Senhadji, Director (w.e.f. 31<sup>st</sup> January 2022)

Mr. Vinay Kumar Pandey, Director – GOI (w.e.f. 20<sup>th</sup> April 2020 upto 29<sup>th</sup> July 2021)

Mr. Ujjwal Kumar, Director (w.e.f. 10<sup>th</sup> November 2021)

Ms. Kiran Dhingra, Independent Director

Mr. Marco P.A. Wadia, Independent Director (upto 18<sup>th</sup> September 2022)

Mr. Satyananda Mishra, Independent Director (w.e.f. 4<sup>th</sup> November 2020)

Mr. Dipankar Chatterji, Independent Director (w.e.f. 3<sup>rd</sup> August 2021)

Mr. Subhrakanta Panda (w.e.f. 31<sup>st</sup> January 2022)

### **Enterprise where Director is interested**

Lionel India Limited

Texmaco Rail & Engineering Limited

### **Employee benefit trust**

PPL Employee's Provident Fund

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## B. Transactions \*:

Name of Related Party	Sl. No.	Nature of Transactions	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Indo Maroc Phosphare S.A. Morocco	a)	Purchase of raw materials (Phosphoric acid)	219,839.79	136,777.72
	b)	Other expenses (Demurrage Expenses)	64.54	233.04
	c)	Other expenses (Demurrage Written back)	-	0.82
	d)	Other expenses (Claims Written off)	(26.15)	6.58
OCP S.A., Morocco	a)	Purchase of raw materials (Rock phosphate)	146,793.05	84,098.67
	b)	Purchase of raw materials (Phosphoric acid)	19,101.70	25,235.90
	c)	Purchase of stock-in-trade (Imported DAP)	-	25,728.30
	d)	Other expenses (Demurrage expenses)	584.13	100.17
Phosphates De Boucraa S.A	a)	Purchase of raw materials (Rock phosphates)	60,076.25	77,048.68
	b)	Other expenses (Demurrage Expenses)	53.80	11.73
	c)	Interest	-	9.04
Jorf Fertiliser SA	a)	Purchase of stock-in-trade (Imported DAP)	(60.22)	65,317.70
Zuari Agro Chemicals Limited	a)	Sale of fertilizers and highsea sale	7,653.04	1,462.55
	b)	Sale of phosphoric acid and muriate of phosphate	-	29,645.79
	c)	Purchase of raw material for Tolling	3,503.49	5,989.20
	d)	Purchase of stock-in-trade	-	21,108.05
	e)	Other Expenses (Recovery of reimbursement of expenses)	-	2,436.95
	f)	Other expenses (Branding commission)	106.09	207.96
	g)	Other expenses (Exchange gain)	(52.91)	6.94
	h)	Other expenses (power and fuel)	478.42	-
	i)	Other expenses (Demurrage)	16.21	-
	j)	Other expenses (Tolling charges)	642.24	439.99
	k)	Other expenses (Tolling related expenses)	-	6.14
	l)	Other expenses (Rent)	4.00	-
	m)	Interest Charged	55.64	-
	n)	Recovery of expenses	25.64	-
	o)	Purchase of business	168,797.46	-
Zuari Industries Limited	a)	Other expenses (Lease rent)	8.09	-
Zuari FarmHub Limited	a)	Sale of fertilizers	21,091.58	12,219.70
	b)	Other income (amount written back)	2.80	-
	c)	Recovery of expenses	18.22	-
	d)	Other Expenses (Reimbursement of expenses)	-	10.28
Simon India Limited	a)	Purchase of fixed asset	6.17	16.00
	b)	Other income	42.53	-
	c)	Other Expenses (Reimbursement of expenses)	60.14	68.08

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Name of Related Party	Sl. No.	Nature of Transactions	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Zuari Management Services Limited	a)	Other Expenses (Reimbursement of expenses)	693.24	439.78
	b)	Recovery of expenses	11.94	-
Mangalore Chemicals and Fertilizers Limited	a)	Sale of ammonia and sulphuric acid	3,697.12	912.95
	b)	Other income (Interest income on receivable)	-	1.50
	c)	Other expenses (Branding commission)	-	2.06
	d)	Other Expenses (Reimbursement of expenses)	0.04	0.19
	e)	Recovery of expenses	4.25	-
Lionel India Limited	a)	Other expenses (Purchase of air ticket)	190.09	66.74
Adventz Finance Private Limited	a)	Other Expenses (Rent)	132.29	58.92
	b)	Other Expenses (Recovery of reimbursement of expenses)	8.97	-
	c)	Rent advance	34.20	-
	d)	Security deposit paid	18.00	-
Zuari Indian Oil Tanking Limited	a)	Other Expenses (Reimbursement of expenses)	0.79	-
Zuari Maroc Phosphates Private Limited	a)	Other Expenses (Reimbursement of expenses)	1,354.80	270.67
PPL Employee's Provident Fund	a)	Employee benefits expense (Contribution to provident fund)	568.66	558.05
Mr. N Suresh Krishnan	a)	Managerial remuneration	417.61	384.97
Mr. Ranjit Singh Chugh	a)	Remuneration	-	207.13
Mr. Sabaleel Nandy	a)	Remuneration	164.65	131.00
Mr. Sailesh Pati	a)	Remuneration	5.05	41.55
Mr. Bijoy Kumar Biswal	a)	Remuneration	64.47	10.27
Mr. Sisir Kumar Mishra	a)	Remuneration	-	1.58
Mr. Sachin Patil	a)	Remuneration	23.60	13.51
Mr. Kiran Dhingra	a)	Director Sitting Fee	6.45	4.30
Mr. Marco P.A. Wadia	a)	Director Sitting Fee	4.30	4.30
Mr. Satyananda Mishra	a)	Director Sitting Fee	5.90	2.75
Mr. Dipankar Chatterjee	a)	Director Sitting Fee	5.35	1.60
Mr. Subhrakanta Panda	a)	Director Sitting Fee	3.00	-





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## C. Balance outstanding

Particulars	Sl. No.	Nature of Transactions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Indo Maroc Phosphare S.A. Morocco	a)	Trade payables - Purchase of raw material	51,568.78 Cr	31,641.95 Cr
	b)	Claims receivable	4,862.38 Dr	3,523.59 Dr
OCP S.A., Morocco	a)	Trade Payable - Purchase of raw material	2895.21 Cr	31,498.30 Cr
	b)	Claims receivable	19,551.64 Dr	13,501.95 Dr
	c)	Trade payables - Reimbursement of expenses	38.30 Dr	0.76 Dr
Pakistan Maroc Phosphore SA	a)	Trade payables - Purchase of raw material	9.82 Cr	9.06 Cr
Phosphates De Boucraa S.A	a)	Trade Payables - Purchase of raw material	22,308.56 Cr	12,264.45 Cr
	b)	Claims receivable	8,142.49 Dr	15,309.46 Dr
Jorf Fertiliser SA	a)	Trade Payables - Purchase of raw material	96.22 Cr	88.75 Cr
	b)	Trade Payables - Purchase of traded material	83.19 Dr	34,744.42 Cr
	c)	Claims receivable	-	248.56 Dr
Zuari Yoma Agri Solutions Limited	a)	Investment in associate	365.60 Dr	365.60 Dr
	b)	Other receivable - Reimbursement of expenses	56.18 Dr	56.18 Dr
Zuari Agro Chemicals Limited	a)	Trade receivables - Sale of fertilizers	3,990.46 Dr	-
	b)	Other financial liabilities - payable against business acquisition	1,434.89 Cr	112,632.27 Dr
	c)	Other financial assets - Interest receivables	55.63 Dr	-
	d)	Trade receivable - Reimbursement of expenses	87.86 Cr	-
	e)	Trade payables - Branding commission	106.09 Cr	-
	f)	Trade receivable - Rent	4.00 Cr	-
	g)	Trade receivables - Recovery of expenses	25.64 Dr	-
	h)	Capital Advance - Advance for Purchase of Land	1,100 Dr	-
Zuari Industries Limited (Erstwhile Zuari Global Limited)	a)	Trade payable - Lease Rent	27.79 Cr	-
Zuari FarmHub Limited	a)	Trade receivables - Sale of Fertilizers	7,535.78 Dr	2,502.61 Dr
	b)	Trade receivable - Recovery of expenses	18.22 Dr	-
Simon India Limited	a)	Capital advance - Purchase of fixed asset	24.19 Dr	24.19 Dr
	b)	Retention money	-	42.53 Cr
	c)	Trade Payable - Reimbursement of expenses	0.46 Dr	0.17 Dr

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Sl. No.	Nature of Transactions	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Zuari Management Services Limited	a)	Trade Payables - Reimbursement of expenses	18.86 Cr	47.48 Cr
Zuari Infraworld India Limited	a)	Advance to vendors - Reimbursement of expenses	1.34 Dr	1.34 Dr
	b)	Trade Payables - Reimbursement of expenses	5.06 Cr	-
	c)	Security deposit	29.32 Dr	-
Mangalore Chemicals and Fertilizers Limited	a)	Advance to vendors - Purchase of fertilizer	114.99 Dr	-
		Trade Receivables - High sea sale of raw material	3,693.47 Dr	-
	d)	Trade payables - Other expenses	-	0.22 Cr
Lionel India Limited	a)	Trade payables - Purchase of air ticket	0.26 Cr	11.11 Cr
Adventz Finance Private Limited	a)	Security deposit	60.00 Dr	42.00 Dr
	b)	Advance to vendors - rent	34.20 Dr	
Zuari Maroc Phosphates Private Limited	a)	Other payable	13.54 Cr	270.67 Dr
PPL Employee's Provident Fund	a)	Contribution to provident fund	47.32 Cr	46.28 Cr
Mr. N Suresh Krishnan	a)	Managerial remuneration	-	34.29 Cr
Mr. Sabaleel Nandy	a)	Remuneration	12.25 Cr	12.53 Cr
Mr. Bijoy Kumar Biswal	a)	Remuneration	-	5.53 Cr
Mr. Sachin Patil	a)	Remuneration	-	1.51 Cr

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 34: Financial instruments - Fair value of financial assets and financial liabilities

### (a) Accounting classifications and fair values:

Particulars	Fair Value Hierarchy	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Derivative financial liabilities	Level 2	1,628.93	-
Investments	Level 2	-	55,036.14
Derivative financial assets	Level 2	-	453.37

Particulars	For the year ended 31 <sup>st</sup> March 2023			For the year ended 31 <sup>st</sup> March 2023		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
<b>Current financial assets</b>						
Trade receivables	-	-	368,973.75	-	-	-
Cash and cash equivalents	-	-	4,303.42	-	-	-
Other bank balances	-	-	6,681.98	-	-	-
Other current financial assets						
Derivative financial asset	-	-	-	-	-	-
Claims receivable	-	-	32,587.91	-	-	-
Interest receivable on deposits, receivables etc	-	-	126.68	-	-	-
Receivables from Gas pool operator			961.03			
Other receivables from related parties	-	-	42.65	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>413,677.42</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	-	61,188.79	-	-	-
Lease liabilities	-	-	1,603.78	-	-	-
Other non-current financial liabilities	-	-	180.42	-	-	-
<b>Current financial liabilities</b>						
Borrowings	-	-	401,921.53	-	-	-
Lease liabilities	-	-	77.32	-	-	-
Trade and other payables	-	-	200,817.27	-	-	-
Derivatives financial liabilities	1,628.93	-	-	-	1,628.93	-
Security deposits	-	-	12,804.58	-	-	-
<b>Total financial liabilities</b>	<b>1,628.93</b>	<b>-</b>	<b>6,78,593.69</b>	<b>-</b>	<b>1,628.93</b>	<b>-</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2022			As at 31 <sup>st</sup> March 2022		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
<b>Current financial assets</b>						
Trade receivables	-	-	90,247.54	-	-	-
Cash and cash equivalents	-	-	53,784.10	-	-	-
Other bank balances	-	-	5,987.37	-	-	-
Other current financial assets						
'Derivative financial assets	453.37	-	-	-	453.37	-
Claims receivable	-	-	33,032.80	-	-	-
Investments	55,036.14	-	-	-	55,036.14	-
Interest receivable on deposits, receivables etc	-	-	31.34	-	-	-
Other receivables from related parties	-	-	326.85	-	-	-
<b>Total financial assets</b>	<b>55,489.51</b>	<b>-</b>	<b>183,410.00</b>	<b>-</b>	<b>55,489.51</b>	<b>-</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	-	52,817.08	-	-	-
Other non-current financial liabilities	-	-	286.71	-	-	-
<b>Current financial liabilities</b>						
Borrowings	-	-	242,612.49	-	-	-
Trade and other payables	-	-	231,940.37	-	-	-
Security deposits	-	-	3,166.26	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>530,822.91</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

The fair value of investments in mutual funds is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published NAV statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuer will redeem such units from the investors.

The fair value of derivatives is determined using quoted forward exchange rates at the reporting date.

There has been no transfer between level 1, level 2 and level 3 during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## (b) Class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value		Fair value	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Financial assets</b>				
Investments	-	55,036.14	-	55,036.14
<b>Others:</b>				
Derivative financial assets	-	453.37	-	453.37
<b>Total financial assets</b>	<b>-</b>	<b>55,489.51</b>	<b>-</b>	<b>55,489.51</b>
<b>Financial liabilities</b>				
<b>Borrowings</b>				
Long term borrowings (Floating rate)	61,188.79	52,817.08	61,188.79	52,817.08
Lease liabilities	1,603.78	-	1,603.78	-
<b>Others:</b>				
Derivative financial liabilities	1,628.93	-	1,628.93	-
Employee related dues	180.42	286.71	180.42	286.71
<b>Total financial liabilities</b>	<b>64,601.92</b>	<b>53,103.79</b>	<b>64,601.92</b>	<b>53,103.79</b>

The management assessed that cash and cash equivalents, other bank balance, trade receivables, other current financial assets (except derivative financial assets), trade payables, short term borrowings and other current financial liabilities (except derivative financial liabilities) approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative contracts. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### A Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Trade receivables

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigates the credit risk to some extent.

Reconciliation of loss allowance on:	Trade receivables amount	Other financial assets amount
Balance as at 1 <sup>st</sup> April 2021	3,479.01	209.79
Movement during the year	1,036.02	-
Balance as at 31 <sup>st</sup> March 2022	<b>4,515.03</b>	<b>209.79</b>
Movement during the year	1,235.84	-
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>5,750.87</b>	<b>209.79</b>

## B Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2023:

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	191,247.67	191,247.67	-	-
Borrowings (including current maturities of non-current borrowings)	463,110.32	401,921.53	61,188.79	-
Other financial liabilities	24,183.53	24,003.11	180.42	-
Lease liabilities	1,681.10	199.60	1,054.18	1,838.07
<b>Total</b>	<b>680,222.62</b>	<b>617,371.91</b>	<b>62,423.39</b>	<b>1,838.07</b>

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2022:

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	227,339.87	227,339.87	-	-
Borrowings (including current maturities of non-current borrowings)	295,429.57	242,612.49	52,817.08	-
Other financial liabilities	8,053.47	7,766.76	286.71	-
<b>Total</b>	<b>530,822.91</b>	<b>477,719.12</b>	<b>53,103.79</b>	<b>-</b>

## C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in other market variables. Refer sensitivity analyses below.

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022.

## (a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates..

### Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with ₹, with all other variables held constant. The impact on the Company's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. Refer Note 37 for details on foreign currency exposure.

Particulars	Profit and loss	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
₹/USD strengthening [5% movement]	(81.11)	(2,512.15)
₹/USD weakening [5% movement]	81.11	2,512.15
₹/EURO strengthening [5% movement]	(161.37)	(361.37)
₹/EURO weakening [5% movement]	161.37	361.37

## (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages fund requirements and performs sensitivity analysis to keep interest rate risk within limits.

### Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

Particulars	Profit and loss	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>INR Borrowings</b>		
Variable rate instruments - increase by 50 basis points	(1,021.33)	(478.02)
Variable rate instruments - decrease by 50 basis points	1,021.33	478.02
<b>Foreign Currency Borrowings-USD</b>		
Variable rate instruments - increase by 50 basis points	(1,294.22)	(999.13)
Variable rate instruments - decrease by 50 basis points	1,294.22	999.13

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

## (c) Commodity price risk

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and mauratic potash. All being international commodities is subject to price fluctuation on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertilizer industry based on the market trend.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 36: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital keeping in view the adequate interest and debt service coverage ratio.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

## Note 37: Unhedged foreign currency exposure

(a) Forward contract outstanding as at 31<sup>st</sup> March 2023, against import of goods is ₹ 334,293.05 (31<sup>st</sup> March 2022: ₹ 305,346.85).

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

	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	(USD in Million)	(EURO in Million)	(₹ In Lakhs)	(USD in Million)	(EURO in Million)	(₹ In Lakhs)
<b>Liabilities:</b>						
Trade Payable and Creditors for Property Plant and Equipment (including acceptance)	37.99	-	31,218.23	100.32	8.58	83,266.02
Short term borrowings- Buyers and Suppliers Credit	5.96	-	4,897.81	9.26	-	7,019.06
Other Interest accrued but not due on borrowings	2.39	0.02	1,982.34	0.29	-	218.08
<b>Assets:</b>						
Claims receivable	40.46	-	33,248.76	43.58	-	33,032.80

## Note 38: Reconciliation of liabilities from financing activities.

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Balance at the beginning of the year		
- Non-current borrowings	52,817.08	11,341.13
- Current borrowings	242,612.49	113,776.12
Cash flows		
- Proceeds/(Repayment) of non-current borrowings	25,704.06	50,636.76
- Proceeds/(Repayment) of current borrowings	128,580.21	112,249.38
Non-cash changes - represents foreign exchange fluctuation and unwinding of interest	13,396.48	7,426.18
Balance at the end of the year		
- Non-current borrowings	61,188.79	52,817.08
- Current borrowings	401,921.53	242,612.49

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

**Note 39: Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of Standalone Financial Information' of Division II of Schedule III**

**As at and for the period 31<sup>st</sup> March 2023**

Name of the Company	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Company</b>								
Paradeep Phosphates Limited	100.01%	350,520.55	99.83%	30,368.74	155.50%	69.10	99.92%	30,437.84
<b>Associate</b>								
Zuari Yoma Agri Solutions Limited	0.09%	315.29	0.17%	50.52	-119.89%	(53.28)	-0.01%	-2.76
Adjustments arising out of consolidation	-0.10%	(365.61)	0.00%	-	64.39%	28.62	0.09%	28.62
<b>Total</b>	<b>100%</b>	<b>350,470.23</b>	<b>100%</b>	<b>30,419.26</b>	<b>100%</b>	<b>44.44</b>	<b>100%</b>	<b>30,463.70</b>

**As at and for the period 31<sup>st</sup> March 2022**

Name of the Company	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Company</b>								
Paradeep Phosphates Limited	100.03%	222,575.92	99.85%	39,784.20	48.00%	(46.34)	99.97%	39,737.86
<b>Associate</b>								
Zuari Yoma Agri Solutions Limited	0.13%	289.43	0.15%	61.12	62.60%	(60.44)	0.00%	0.68
Adjustments arising out of consolidation	-0.16%	(365.61)	0.00%	-	-10.60%	10.23	0.03%	10.23
<b>Total</b>	<b>100%</b>	<b>222,499.74</b>	<b>100%</b>	<b>39,845.32</b>	<b>100%</b>	<b>(96.55)</b>	<b>100%</b>	<b>39,748.77</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 40

- a) The Company, in an earlier year, had received an Arbitration Award in its favour in the matter of Cargo Charges Tariff dispute with Paradeep Port Trust (PPT) for the years 1993–1999. PPT in earlier year had appealed with the higher authorities against such award which was confirmed by the Appellate Authority. However, as against the above order, the PPT went into further appeal with the Hon'ble High Court of Odisha and the High Court in its interim order directed the Company not to execute award at this stage. The Company has not recognised this award as income in the Statement of Profit and Loss.
- b) Paradeep Port Trust (PPT) proposed a revision in scale of rates applicable to the Company for cargo handling in the captive berth w.e.f. 1 April 1999. The matter was referred to Tariff Authority of Major Ports (TAMP) on mutual consent of the parties under the direction of Hon'ble High Court of Odisha. During the previous year, TAMP had finalised the rates, but PPT had not agreed with the order and proceeded with a writ petition before the Hon'ble High Court of Odisha against the said order. Pending disposal of the case, the Company has not recognised the amount receivable from PPT towards the excess amount paid over the applicable TAMP order.

## Note 41

During the year, a sum of ₹ 119.14 (31<sup>st</sup> March 2022: ₹ 112.46) including capital expenditure of ₹ 0.95 (31<sup>st</sup> March 2022: ₹ 0.76) was spent on research and development (excluding depreciation charge).

## Note 42(a) : Employee share based payment

Pursuant to the resolutions passed by the Board and by the Shareholders on 10 August 2021, the Company approved 'PPL Employees Stock Option Plan 2021 ("ESOP 2021")' is in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 3,600,000 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

Pursuant to the resolution passed by the Board on 29<sup>th</sup> April 2022 the Company has granted 2,400,058 nos of options under ESOP Scheme at a exercise price of ₹42 per option. The total number of options available under ESOP Scheme is 3,600,000 which are exercisable for 3,600,000 Equity Shares.

Vesting conditions	Exercise period	Date of Grant	Numbers of options granted	Exercise price per share
On continued employment with the Company	3 years from date of each vesting	29 <sup>th</sup> April 2022	24,00,058	₹42

## Vesting schedule :

Vesting schedule of the said options granted on 29<sup>th</sup> April 2022 was as follows:

- After 12 Months from the date of grant : 30 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 36 Months from the date of grant : 35 % of the options granted

The Exercise period shall not be more than 5 (Five) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

## The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

Particulars	Exercise period
Grant date	29 <sup>th</sup> April 2022
Fair value at grant date(₹)	18.69
Share price at grant date(₹)	41
Exercise price(₹)	42
Expected Life (expected weighted average life)	4.50
Expected dividend yield (%)	0
Expected volatility	45%
Risk free interest rate (based on zero-yield curve for Government Securities)	6.70%





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Reconciliation of outstanding share options:

Particulars	As at 31 <sup>st</sup> March 2023
Number of Options Outstanding at the beginning of the year	-
Number of Options granted during the year	2,400,058
Number of Options forfeited/lapsed during the year	381,054
Number of Options vested during the year	-
Number of Options outstanding at the end of the year	2,019,004
Number of Options exercisable at the end of the year	-

## Expense arising from share based payment transactions:

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

Particulars	Year ended 31 <sup>st</sup> March 2023
Expenses on Employees Stock Options Scheme	197.83

## Note 42(b) : The utilisation of IPO proceeds out of fresh issue is summarized below:

During financial year 2022-23 the Company completed its Initial Public Offer (IPO) of 357,555,112 equity shares of face value of ₹ 10/- each for cash at an issue price of ₹ 42/- per equity share aggregating to ₹ 150,173.15, consisting of fresh issue of 239,047,619 equity shares aggregating to ₹ 100,400.00 and an offer for sale of 118,507,493 equity shares aggregating to ₹ 49,773.15 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 27<sup>th</sup> May 2022.

## The utilisation of IPO proceeds out of fresh issue is summarized below:

Particulars	Object of the issue as per prospectus	Utilisation upto 31 <sup>st</sup> March 2023	Unutilised amount as at 31 <sup>st</sup> March 2023
Part-financing the acquisition of the Goa Facility	52,000	52,000	-
Repayment/prepayment of certain of our borrowings	30,000	33,450	-
General corporate purposes	14,315	10,865	-

## Note 43

- The Company, has not entered into any transactions with struck off companies, during the year ended 31<sup>st</sup> March 2023 (previous year ended 31<sup>st</sup> March 2022).
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Further, no funds that have been received by the Company from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

## Note 44 : Business combination

(a) During the year Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited ("ZACL") on a slump sale going concern basis pursuant to the business transfer agreement entered into by the Company with ZACL. The acquisition was completed and effective from 1<sup>st</sup> June 2022 for a consideration of ₹ 168,797.46 which was paid to ZACL pursuant to the business transfer agreement. The Goa plant and allied business acquired by the Company is in the business of manufacture and sale of urea and complex fertilisers.

(b) Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:-

Particulars	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>	
<b>I. Non-current assets</b>	
(a) Property, plant and equipment	147,378.30
(b) Right-of-use assets	1,082.90
(c) Capital work-in-progress	12,992.80
(d) Intangible assets	76.13
(e) Financial Assets	
(i) Loans	19.30
(ii) Others	233.20
<b>Total non-current assets</b>	<b>161,782.63</b>
<b>II. Current assets</b>	
(a) Inventories	9,194.20
(b) Financial assets	
(i) Loans	3.50
(ii) Trade receivables	37,010.20
(iii) Other financial assets	170.93
(c) Other current assets	15,198.20
<b>Total current assets</b>	<b>61,577.03</b>
<b>Total assets A (I+II)</b>	<b>223,359.66</b>
<b>Liabilities</b>	
<b>(I) Non-current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	10.10
(ii) Lease Liabilities	1,780.78
<b>Total non-current liabilities</b>	<b>1,790.88</b>
<b>(II) Current liabilities</b>	
(a) Financial liabilities	
(i) Trade payables	4,1047.16
(ii) Other financial liabilities	14,070.90
(b) Other current liabilities	2,365.26
(c) Provisions	1,792.90
<b>Total current liabilities</b>	<b>59,276.22</b>
<b>Total liabilities B (I+II)</b>	<b>61,067.10</b>
<b>Total fair value of net assets acquired C (A-B)</b>	<b>162,292.56</b>
<b>Closing Consideration D</b>	<b>168,797.46</b>
<b>Deferred tax asset relating to origination and differences of Goa unit on Slump sale E</b>	<b>697.96</b>
<b>Goodwill (D-C-E)</b>	<b>5,806.94</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March 2023

(All amounts are in ₹ lakhs, unless otherwise stated)

- (c) Acquisition related costs amounting to ₹ 4.68 on legal fees, valuation fees, ₹ 3,069.91 as stamp duty have been recognised as legal and professional expense and rates and taxes respectively in the Consolidated Statement of Profit and Loss within Other expenses.
- (d) From the date of acquisition, the acquired business contributed ₹ 4,28,259.23 to total income and a profit of ₹ 3,453.74 to the consolidated profit before tax. Had the business combination been effected at April 1, 2022, the total income of the Company would have been higher by ₹ 28,622.00 and profit before tax would have been lower by ₹ 1,522.00.
- (e) The goodwill recognized is attributable to expected synergies from combining operations of the Company and acquired business and would not be deductible for tax purposes.
- (f) In relation to property, plant and equipment acquired through business combination fair valuation was determined based on the valuation model which considered market prices for similar items and depreciated replacement cost, as appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
- (g) Contingent liabilities was recognized on acquisition, the details of which are as under:-

Particulars	Amount
Customs duty demand	530.14
Goods and services tax demand	4,016.08
Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas	4,291.34
Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips	140.52

As at 31<sup>st</sup> March 2023, there has been no change in the amount recognised as contingent liabilities on 1<sup>st</sup> June 2022, as there has been no change in the probability of the outcome of the cases as noted above.

## Note 45

The subsidy rates for phosphatic fertilizers under Nutrient Based Subsidy Scheme for the year ended 31<sup>st</sup> March 2023 have been recognised based on management's estimate, pending finalisation by the Government of India.

**Note 46:** The Consolidated Financial Statements were approved for issue by the board of directors on 17<sup>th</sup> May 2023.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No: 055757

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

For and on behalf of the Board of Directors of  
**Paradeep Phosphates Limited**  
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**  
Managing Director  
DIN: 00021965

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Sachin Patil**  
Company Secretary

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**S.K. Poddar**  
Chairman  
DIN: 00008654

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023

**Bijoy Kumar Biswal**  
Chief Financial Officer

Place: Bengaluru  
Date: 17<sup>th</sup> May 2023



# NOTICE

To

## The Members,

NOTICE is hereby given that the Forty-First (41<sup>st</sup>) Annual General Meeting of the Members of Paradeep Phosphates Limited ("the Company") will be held on **Tuesday 26<sup>th</sup> September 2023, at 3:00 P.M. (IST)**, through Video Conference ("VC") / Other AudioVisual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt
  - (a) The Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 and the Reports of the Board of Directors and Auditors thereon.
  - (b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 and the Report of the Auditors thereon.
2. To declare final dividend on equity shares for the financial year 2022-23.
3. To appoint Mr. Saroj Kumar Poddar (DIN: 00008654), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

#### 4. Ratification of Remuneration to Cost Auditor

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. S. S. Sonthalia & Co., Cost Accountant in practice, appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year 2023-24, being ₹ 3,00,000 (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

#### 5. Approval of Material Related Party Transaction(s) with related parties

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

"RESOLVED THAT in modification of the earlier resolution passed by the members at their meeting held on 12<sup>th</sup> September, 2022 and pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and the applicable provisions of the Companies Act, 2013 ("the Act") if any read with the rules framed thereunder (including any statutory amendment(s) or reenactment(s) thereof, for the time being in force, if any), approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any duly authorised Committee constituted /empowered by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and / or carrying out and / or continuing with existing contracts / arrangements/ transactions (whether individual transaction or transaction(s) taken together or series of transaction(s) or otherwise), with OCP S.A. , Indo Maroc Phosphare S. A., Phosphates De Boucraa S.A and Jorf Fertiliser S.A, being related parties of the Company, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier/ arrangements/transactions or as fresh and independent transaction(s) or otherwise during the financial year 2023-2024, as per the details set out in the explanatory statement annexed to this notice, provided however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, file requisite forms with the regulatory authorities and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorised person(s) to give effect to this resolution."

#### 6. Appointment of Mrs. Rita Menon (DIN: 00064714) as an Independent Director

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



RESOLVED THAT pursuant to the provisions of Sections 149,150,152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee Mrs. Rita Menon (DIN: 00064714), who was appointed as an Additional Director (Category: Non-Executive Independent) of the Company by the Board of Directors with effect from 27<sup>th</sup> June 2023 and who hold the office till the conclusion of this 41st Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act, proposing her candidature for appointment as Director, be and is hereby appointed as Independent Director for a term of 3 (three) years from 27th June 2023 up to 26th June 2026, not be liable to retire by rotation.

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

**7. Re-appointment of Mr. Satyananda Mishra (DIN: 01807198) as an Independent Director of the Company and continuation of directorship after attaining the age of 75 years**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Act and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, Mr. Satyananda Mishra (DIN: 01807198 DOB: 17/01/1949), who holds office as an Independent Director up to 3<sup>rd</sup> November 2023, in respect of whom the Company has received a notice in writing from a member under Section 160 of the of the Act,

proposing his candidature for re-appointment as an Independent Director, be and is hereby reappointed as an Independent Director, not liable to retire by rotation, for a second term of 3 (three) years with effect from 4<sup>th</sup> November 2023 up to 3<sup>rd</sup> November 2026.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, approval of the members, be and is hereby accorded for continuation of directorship of Mr. Satyananda Mishra after attaining the age of 75 years, during his tenure as an Independent Director of the Company."

By **Order of the Board of Directors**

**Sachin Patil**

Company Secretary

Date: 27<sup>th</sup> June 2023

Registered Office: 5<sup>th</sup> Floor, OSHWC Building,  
Pandit J N Marg, Bhubaneswar – 751 001

**NOTES:**

1. The related Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") is annexed hereto. Additional information as required under Regulation 36 of the Listing Regulations and the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India in respect of the Director seeking appointment/re-appointment at the Annual General Meeting (AGM), forms part of this Notice.
2. Pursuant to General Circular No. 14/2020 dated 8<sup>th</sup> April 2020, Circular No.17/2020 dated 13<sup>th</sup> April 2020, Circular No. 20/2020 dated 5<sup>th</sup> May 2020, Circular No. 02/2021 dated 13<sup>th</sup> January 2021, Circular No. 19/2021 dated 8<sup>th</sup> December 2021, Circular No. 21/2021 dated 14<sup>th</sup> December 2021, Circular No. 2/2022 dated 5<sup>th</sup> May 2022 and Circular No. 10/2022 dated 28<sup>th</sup> December 2022 (hereinafter collectively referred to as "MCA Circulars"), the Company is conveying 41<sup>st</sup> AGM through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. The Notice of the 41<sup>st</sup> Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circulars issued by SEBI

dated 12<sup>th</sup> May 2020, 15<sup>th</sup> January 2021, 13<sup>th</sup> May 2022 and 5<sup>th</sup> January 2023. The Notice calling the AGM and Annual Report for the financial year 2022-23 has been uploaded on the website of the Company at [www.paradeepphosphates.com](http://www.paradeepphosphates.com). The Notice and Annual Report for the financial year 2022-23 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

4. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Members holding equity shares of the Company as on Tuesday, 19<sup>th</sup> September 2023 ('Cut-off date') can join the meeting anytime 30 minutes before commencement of the AGM by following the procedure mentioned in the Notice.
5. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Since this AGM is being held through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars (a) Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not annexed to this Notice.
8. Corporate shareholders/institutional shareholders intending to send their authorised representative(s) to attend and vote at the 41<sup>st</sup> AGM are requested to send from their registered e-mail address, scan copy of the relevant Board Resolution/ Authority Letter, etc. authorising their representative(s) to vote, to the Scrutiniser on his e-mail ID at [cs.sbhat@gmail.com](mailto:cs.sbhat@gmail.com) with a copy marked to [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com)

9. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members can avail facility for nomination in respect of the shares held by them. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts.
- 11. Record Date:** Members may kindly note that Tuesday, 19<sup>th</sup> September 2023 has been fixed as the "Record Date" to determine entitlement of members to the final dividend for the financial year 2022-23
- 12. Dividend:**
  - (i) Pursuant to Finance Act, 2020, dividend income is taxable in the hands of members w.e.f. 1<sup>st</sup> April 2020. Accordingly, the final dividend, as recommended by the Board of Directors, and if approved at 41<sup>st</sup> AGM, shall be paid after deducting tax at source ('TDS') at the prescribed rates in accordance with the provisions of the Income Tax Act, 1961, within 30 days from the date of declaration to the beneficial owners in respect of equity shares held by them in dematerialised form whose name appear in the list of beneficial owners furnished by NSDL and Central Depository Services (India) Limited ('CDSL'), as on close of business hours on Tuesday, 19<sup>th</sup> September 2023.
  - (ii) Detailed information in respect of deduction of tax at source (TDS) on the Final Dividend for the financial year 2022-23 is uploaded on the companied website at: <https://www.paradeepphosphates.com/investors/corporate-governance#agmegmpostal-ballot>
  - (iii) In case of members whose bank details are not updated in the records of the Company's Registrar and Share Transfer Agent/Depositories before close of business hours on Tuesday, 19<sup>th</sup> September 2023 or in case the Company is unable to pay the dividend to any member directly in his/her bank account via electronic clearing service, the Company shall dispatch draft/cheque to such member(s) by post
13. The statutory registers maintained under Section 170 and Section 189 of the Act shall be made available electronically for inspection by the Members

on the website of the Company at <https://www.paradeepphosphates.com/investors/corporate-governance#agmegmpostal-ballot> during the time of AGM.

14. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com). The Company reserves the right to restrict the number of questions and / or number of speakers, depending upon availability of time, for smooth conduct of the AGM.

#### 15. E-Voting :

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. Members shall have the option to vote either through remote e-voting or voting through electronic means at the AGM.
- **Detailed instructions for remote e-voting/e-voting and also for attending the AGM are annexed as Annexure - 2**
- Mr. Shivaram Bhat, Practicing Company Secretary (Membership No. ACS 10454) has been appointed by the Board of Directors of the Company as the Scrutiniser for scrutinising the remote e-voting

process as well as voting during the meeting, in a fair and transparent manner.

- **The remote e-voting period begins on Friday 22<sup>nd</sup> September 2023 at 10.00 A.M. (IST) and ends on Monday 25<sup>th</sup> September 2023 at 5.00 P.M.(IST).**
- Voting rights of members shall be reckoned on the paid up value of equity shares registered in their name as on the 'Cut-off date' i.e. Tuesday, 19<sup>th</sup> September 2023.
- Members whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the 'Cut-off date', shall be entitled to avail the facility of remote e-voting or e-voting at the AGM, as the case may be.
- Any person who becomes a Member of the Company after dispatch of the Notice of 41<sup>st</sup> AGM and holds equity shares as on the 'Cut-off date' may also follow the procedure as outlined in Annexure-2 to this Notice. Any person who is not a Member as on the 'Cut-off date' should treat this Notice for information purpose only.

#### 16. Declaration of results of voting

- The Scrutiniser shall immediately after conclusion of the Annual General Meeting, shall count votes casted on the day of the meeting, thereafter unblock the votes cast through remote e-voting.
- The Scrutiniser will submit, within 2 working days of conclusion of the AGM, a consolidated scrutiniser's report, of the total votes cast in favour or against, if any, to the Chairman of AGM or any other Director or Company Secretary authorised by the Chairman of the AGM in writing who will countersign the same and declare the result of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office. The result will also be displayed on the website of the Company at [www.paradeepphosphates.com](http://www.paradeepphosphates.com), besides being communicated to Stock Exchanges.

# EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

## Item No. 4: Ratification of Remuneration to Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. S. S. Sonthalia & Co., Cost Accountant in practice as the Cost Auditor to conduct the audit of the Cost Accounts of the Company for the financial year 2023-24 at a remuneration of ₹ 3,00,000 (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses incurred by them in connection with the aforesaid audit.

In terms of provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial Year 2023-24.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP are concerned or interested in this resolution.

## Item No. 5: Approval of Material Related Party Transaction(s) with related parties

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective 1<sup>st</sup> April 2022, mandates prior approval of Members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ₹ 1,000 Crores, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

In the financial year 2023-24, the related party transactions as mentioned below, in the aggregate, are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, approval of the Members is being sought by passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

The Audit Committee of the Company has approved the said related party transactions with related parties at its meeting held on 17<sup>th</sup> May 2023 and has noted that although the said related party transactions are in the ordinary course of business of the Company and shall be entered into at an arm's length basis, they may, in aggregate, cross the applicable materiality thresholds as mentioned above.

Your Board of Directors accordingly recommends passing of the resolution contained in Item No. 5 of this Notice for approval by the Members by way of an ordinary resolutions. Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22<sup>nd</sup> November 2021 is provided herewith:

1	Name of the Related Party	OCP S.A., Indo Maroc Phosphare S. A., Phosphates De Boucraa S.A and Jorf Fertiliser S.A											
2	Nature of relationship	Promoter & promoter group of the Company											
3.	Names of the directors or Key managerial Personnel who is related, if any.	Mr. Karim Senhadji- CFO of OCP Group and Mr. Soual Mohamed											
4.	Type, Nature, particulars, material terms of contract	<ul style="list-style-type: none"><li>• Purchase of raw materials goods and allied activities</li><li>• Availing of services</li><li>• Cost recharge/rebate/demurrage to and from related parties</li><li>• Interest /claims- receivable/payables</li></ul>											
5.	Tenure/Duration/Approval Period	For Financial Year 2023-24											
6	Value/Amount of transaction	<div>Transactions amounting to ₹ 7000 Crores in a Financial Year with following related parties</div> <table><tr><th>Name of Related party</th><th>Amount of Transactions in a year *</th></tr><tr><td>Indo Maroc Phosphates S.A.</td><td>3000</td></tr><tr><td>OCP S.A.</td><td>1700</td></tr><tr><td>Phosphates De Boucraa S.A</td><td>1700</td></tr><tr><td>Jorf Fertiliser S.A</td><td>600</td></tr></table> <div>*Board of Directors may interchange the limit between each of the related parties mentioned above within the overall limit of ₹ 7000 Crores</div>		Name of Related party	Amount of Transactions in a year *	Indo Maroc Phosphates S.A.	3000	OCP S.A.	1700	Phosphates De Boucraa S.A	1700	Jorf Fertiliser S.A	600
Name of Related party	Amount of Transactions in a year *												
Indo Maroc Phosphates S.A.	3000												
OCP S.A.	1700												
Phosphates De Boucraa S.A	1700												
Jorf Fertiliser S.A	600												

7.	The manner of determining the pricing and other commercial terms	The related party transactions are ordinary course of business and at arm's length basis.	
8.	The percentage of the listed entity's consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	Indo Maroc Phosphates S.A.	22 %
		OCP S.A.	13%
		Phosphates De Boucraa S.A	13 %
		Jorf Fertiliser S.A	4 %
9.	Justification as to why the RPT is in the interest of the listed entity	<ul style="list-style-type: none"><li>• We depend on OCP,Indo Maroc Phosphore S.A. Morocco, Phosphates De Boucraa S.A. and Jorf Fertiliser S.A. for the procurement of our most important raw material by value, Phosphate Rock and Phosphoric acid.</li><li>• In order to ensure a stable supply of our most important raw material by value, the Company has entered into a long term Phosphate Rock supply contract with OCP our promoter and globally leading producer of such raw material and which operates largely in the Morocco which has approximately 70% of the global Phosphate Rock reserves according to CRISIL Research, provides us the ability to source cost-effective and increasing amounts of Phosphate Rock as our operations grow.</li><li>• Arrangement is commercially beneficial.</li><li>• Competitive pricing and at arm's length with assurance of quality and also provides flexibility to our sourcing plants during the volatility of supply.</li></ul>	
10.	A copy of the valuation or other external party report, if any such report has been relied upon	As the transactions are in the ordinary course of business at arm's length, the transactions do not contemplate any valuation.	
11.	Any other information that may be relevant	All relevant information forms part of this explanatory statement	

The Members may please note that in terms of provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not) shall not vote to approve the ordinary resolution at Item No. 5 of the Notice.

None of the other Directors, Key Managerial Personnel or their respective relatives, are in any way concerned or interested in the said resolution.

#### **Item No. 6: Appointment of Mrs. Rita Menon (DIN: 00064714) as an Independent Director**

Based on the recommendation of Nomination and Remuneration Committee, the Board by resolution passed on 27<sup>th</sup> June 2023 approved the appointment of Mrs. Rita Menon (DIN: 00064714) as an Additional Director in the category of Independent Directors w.e.f. 27<sup>th</sup> June 2023.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), Mrs. Rita Menon holds office as an Additional Director till the date of the ensuing 41<sup>st</sup> Annual General Meeting (AGM) scheduled on September 26<sup>th</sup>, 2023.

A notice has been received in writing from a member under Section 160 of the Companies Act, 2013 proposing

appointment of Mrs. Rita Menon as an Independent Director of the Company.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company through resolution passed by circulation on June 27<sup>th</sup>, 2023 recommended the appointment of Mrs Rita Menon as an Independent Director on the Board of the Company, not liable to retire by rotation, for a term of 3 years commencing from the date of Board's approval i.e. 27<sup>th</sup> June 2023.

The Company has received in writing from Mrs. Rita Menon (i) consent to act as Director of the Company; (ii) intimation to the effect that she is not disqualified from being appointed as Director in terms of Section 164(2) of the Act; and (iii) declaration that she meets the criteria of independence as specified under Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Nomination and Remuneration Committee and the Board, Mrs. Rita Menon fulfils the conditions for appointment as Independent Director as specified in the Act, the Rules made thereunder and



the Listing Regulations and she is independent of the management of the Company.

Mrs. Rita Menon is interested in the resolution set out at Item No. 6 of the Notice. The relatives of Mrs. Rita Menon may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment.

**Item No. 7: Re-appointment of Mr. Satyananda Mishra (DIN: 01807198) as an Independent Director of the Company and continuation of directorship after attaining the age of 75 years**

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 4<sup>th</sup> November 2020 and the shareholders at their meeting held on 19<sup>th</sup> September 2021 had approved the appointment of Mr. Satyananda Mishra (DIN: 01807198), as an Independent Director for a period of 3 years from 4<sup>th</sup> November 2020 to 3<sup>rd</sup> November 2023.

Based on his skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board by resolution passed on 27<sup>th</sup> June 2023, has approved, subject to the approval of the shareholders, the re-appointment of Mr. Satyananda Mishra as an Independent Director for a second term of 3 years w.e.f. 4<sup>th</sup> November 2023 up to 3<sup>rd</sup> November 2026 and continuation of directorship of Mr. Satyananda Mishra after attaining the age of 75 years, during his tenure as an Independent Director of the Company. The brief profile and other particulars of Mr. Satyananda Mishra as required SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are annexed and forms part of this notice.

In terms of Regulation 17(1A) of the Listing Regulations, the continuation of directorship of any person as a Non-Executive Director, who has attained the age of seventy five years, requires approval of shareholders by way of a special resolution, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointment or continuation of directorship of such a person. The Board recommends the Special resolution in relation to the continuation of directorship of Mr. Satyananda Mishra as an Independent Director, even after he attains the age of 75 years till the expiry of his term

till 3<sup>rd</sup> November 2026, for the approval of the Members of the Company. Considering his vast experience, it is desirable that he should complete his tenure of 3 years as an Independent Director of the Company.

In the opinion of the Nomination and Remuneration Committee and the Board, Mr. Satyananda Mishra fulfils the conditions for his re-appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

A notice has been received in writing by a member under Section 160 of the Companies Act, 2013 proposing re-appointment of Mr. Satyananda Mishra as an Independent Director of the Company.

The Company has received in writing from Mr. Satyananda Mishra (i) consent for re-appointment; (ii) intimation to the effect that he is not disqualified from being re-appointed as Director in terms of Section 164(2) of the Act; and (iii) Form MBP-1 giving disclosure of interest (iv) declaration that he meets the criteria of independence as specified under Section 149 of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and he has confirmed that he is not aware of any circumstance or situation which exist or may be reasonably anticipated that could impair or impact his ability to discharge his duties..

Mr. Satyananda Mishra is interested in the Resolution set out at Item No. 7 of the Notice with regard to his re-appointment. The relatives of Mr. Satyananda Mishra may be deemed to be interested in the Resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above reappointment.

The Board accordingly recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the members.

By **Order of the Board of Directors**

**Sachin Patil**

Company Secretary

Date: 27<sup>th</sup> June 2023

Registered Office: 5<sup>th</sup> Floor, OSHWC Building,  
Pandit J N Marg, Bhubaneswar – 751 001

### Annexure-1

#### Details of the Director seeking appointment/re- appointment at the forthcoming Annual General Meeting.

Name of the Director	Saroj Kumar Poddar	Rita Menon	Satyananda Mishra
Date of Birth	15-09-1945	25-12-1951	17-01-1949
Age	77	71	74
Inter-se relationship with Directors of the Company	None	None	None
Date of First Appointment	05-02-2014	27-06-2023	04-11-2020
Qualification	Bachelor's degree in commerce from St. Xavier's College, University of Calcutta	MA (Economics) from Delhi School of Economics. Retired IAS Officer of 1975 batch.	Bachelor's and master's degree in English from Utkal University. Retired IAS Officer of 1973 batch.
Functional Expertise & Experience including brief resume.	Mr. Saroj Kumar Poddar is also the Chairman of the Adventz Group. He has served as the President of the Federation of Indian Chambers of Commerce and Industry and was also appointed as a member of the Board of Trade and a member of the Court of the Indian Institute of Science, Bangalore by the Government of India. He was also on the Advisory Council of N M Rothschild (India) Limited. He is also a recipient of the Rashtriya Samman award from the Central Board of Direct Taxes.	In her career as IAS officer she has worked in various positions like CMD of ITPO, Chairperson of TNTPO & KTPO, Joint Secretary to Secretary Positions at various Central Ministries, MD of UP Finance Corporation, Director at various central and private sector undertakings like BEL, GRSEL, Goa Shipyard Limited, Mazagaon Dock Limited, SIDBI etc.	Mr. Satyananda Mishra, a career civil servant and member of the IAS, has more than 4 decades of experience in Public Service. He has held various important positions in the Government of Madhya Pradesh, such as, Principal Secretary of Departments of Public Works, Revenue and Housing & Environment. He also held the positions of Development Commissioner of Small Scale Industries, Establishment Officer and Secretary, Department of Personnel & Training in the Government of India before he retired in September 2008.  He has served as Chairman of the Multi-Commodity Exchange of India Limited and as an Independent Director of SIDBI. At present, he is serving as a Director on the Boards of REVA University, Bangalore and the National Foundation of India.
In case of Independent Directors, Skills and capabilities required for the role	NA	Legal & compliance, corporate governance and industry knowledge	Strategic, Business Management Understanding of the relevant laws, rules, regulation policies applicable to the organisation /industry/ sector

Terms and Conditions of re-appointment	Re-appointment on retirement by rotation	As per Explanatory Statement	As per Explanatory Statement
Directorship held in other companies (excluding foreign companies & Section 8 companies) as on 31st March 2023.	<ul style="list-style-type: none"> <li>Chambal Fertilisers and Chemicals Limited</li> <li>Texmaco Rail &amp; Engineering Limited</li> <li>Zuari Industries Limited</li> <li>Texmaco Infrastructure &amp; Holdings Limited</li> <li>Zuari Agro Chemicals Limited</li> <li>Hepo India Private Limited</li> <li>Hettich India Private Limited</li> <li>Lionel India Limited</li> <li>Adventz Finance Private Limited</li> <li>Adventz Homecare Private Limited</li> <li>Forte Furniture Products India Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Chambal Fertilisers and Chemicals Limited</li> <li>Mangalore Chemicals &amp; Fertilisers Limited</li> </ul>	<ul style="list-style-type: none"> <li>Ugro Capital Limited</li> <li>Invesco Trustee Private Limited</li> <li>India International Depository IFSC Limited</li> </ul>
Listed entities from which the person has resigned in the past 3 years	-	-	63 Moons Technologies Limited
Membership/ Chairmanship of Committees of public Companies (includes only Audit Committee & Stakeholders Relationship Committee) as on 31st March 2023.	NA	Chambal Fertilisers and Chemicals Limited - Member of Audit & Chairman of Stakeholders Relationship Committee Mangalore Chemicals & Fertilisers Limited - Member of Audit & Stakeholders Relationship Committee	Ugro Capital Limited - Member of Audit & Stakeholders Relationship Committee
Shareholding in the Company, including shareholding as a beneficial owner.	Nil		Nil
Remuneration proposed to be paid	remuneration as approved by the members in AGM dt. 12 <sup>th</sup> September 2022	Sitting fee and remuneration as approved by the members in AGM dt. 12 <sup>th</sup> September 2022	Sitting fee and remuneration as approved by the members in AGM dt. 12 <sup>th</sup> September 2022

For other details such as number of meetings of Board of Directors attended during the year and remuneration last drawn i.e., as on 31<sup>st</sup> March 2023, please refer to the Corporate Governance Report (Annexure -A) to the Directors Report.

## Annexure -2

### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

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

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

**The voting period begins on Friday 22<sup>nd</sup> September 2023 at 10.00 AM (IST) and ends on Monday 25<sup>th</sup> September 2023 at 5:00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. 19<sup>th</sup> September 2023 may cast their vote electronically.**

Detailed steps on the process and manner for remote e-voting/e-voting at the AGM and to access the VC facility at the AGM, is given below:

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

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Type of shareholders	Login Method
	<p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:**

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

- (i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- 1) Click on "Shareholders" module.
- 2) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 3) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.



- 4) If you are a first-time user follow the steps given below:

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

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN of the Company.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to

the Resolution.

- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutiniser for verification.

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

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser at the email address [cs.sbhat@gmail.com](mailto:cs.sbhat@gmail.com) with a copy marked to the Company at the email address [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com). These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company

reserves the right to restrict the number of speakers depending upon the availability of time.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES**

1. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
2. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

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Paradeep Phosphates Limited

**Registered Office**

5<sup>th</sup> Floor, Bayan Bhavan, Pandit Jawaharlal Nehru Marg,  
Bhubaneswar - 751 001, Odisha.

**The Address for  
Correspondence/Corporate Office**

Paradeep Phosphates Limited,  
3<sup>rd</sup> Floor, Adventz Centre, 28 Union Street, Off Cubbon Road,  
Benagaluru- 560001, Karnataka

Email: [cs.ppl@adventz.com](mailto:cs.ppl@adventz.com)