



17<sup>th</sup> August, 2024

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
BSE Code: 500645

Listing Department  
National Stock Exchange of India Ltd.  
“Exchange Plaza”,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051  
NSE Code: DEEPAKFERT

Dear Sir/ Madam,

**Subject: Annual Report for the FY 2023-24 including notice of the 44<sup>th</sup> Annual General Meeting**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), we enclose herewith the following documents relating to the 44<sup>th</sup> Annual General Meeting of the Company scheduled on **Tuesday, 10<sup>th</sup> September, 2024** at **11.00 a.m.** through Video Conferencing/ Other Audio-Visual Means (e-AGM):

1. Notice of the 44<sup>th</sup> Annual General Meeting; and
2. Annual Report.

The aforesaid documents are also available on the website of the Company, i.e., [www.dfpcl.com](http://www.dfpcl.com).

You are requested to take the same on your record.

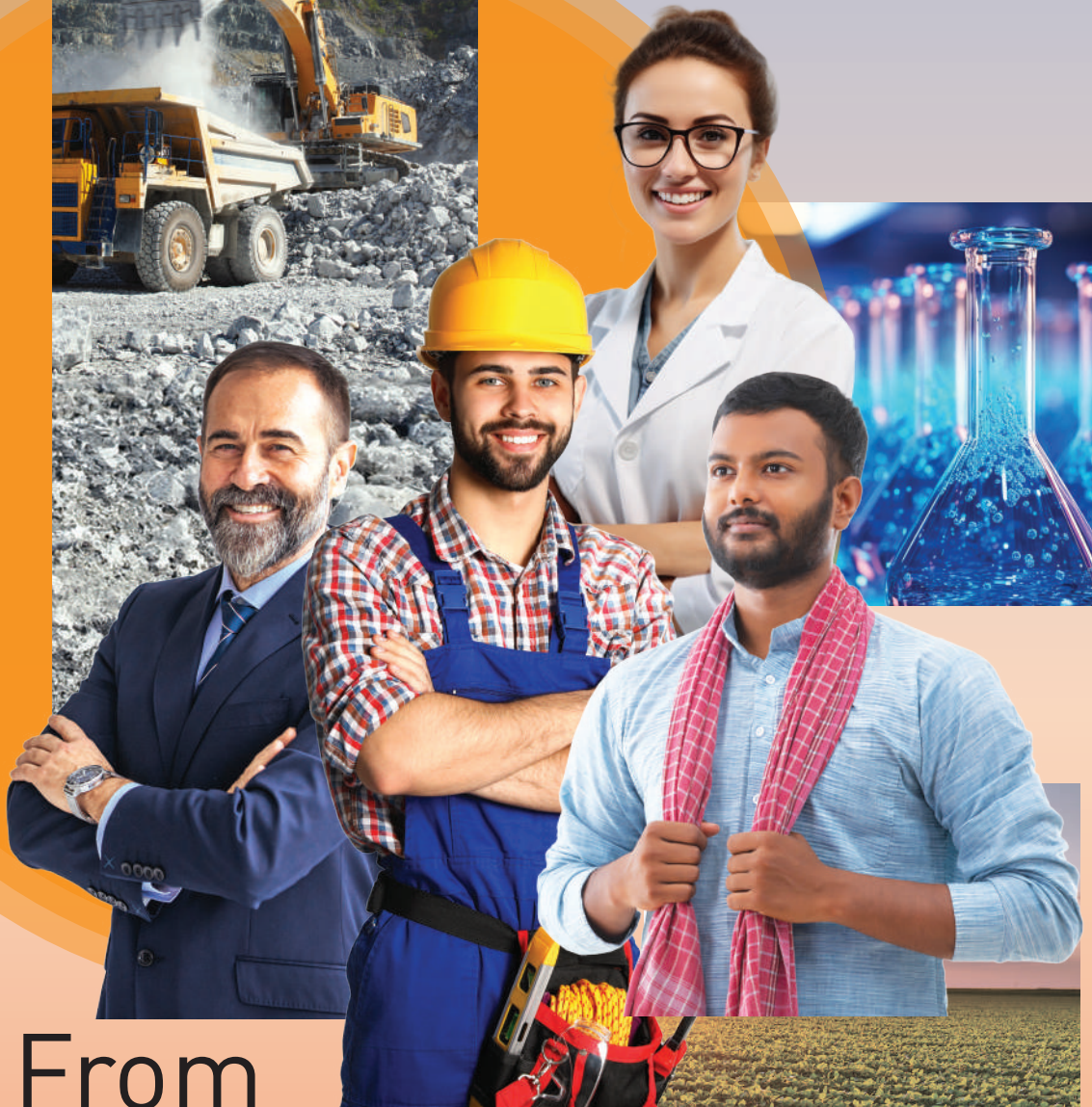
**For Deepak Fertilisers  
And Petrochemicals Corporation Limited**

**Gaurav Umakant Munoli  
Company Secretary  
M. No. A24931**

Encl.: As above



DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED



# From Volume to Value with Passion & Purpose

ANNUAL REPORT 2023-24



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# From **Volume** to **Value** with **Passion & Purpose**

Passion and Purpose are a way of life at Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL); not a mere philosophy to live and work by. It is about an uncompromising quality and delivering value; about merging competencies and emerging stronger; about stepping forward, advancing and striving for continuous improvement.

We are on a transformative journey remodelling ourselves from “**Commodity to Specialty**” and “**Customer to Consumer**”. In other words, we are re-engineering DFPCL’s DNA moving from “Volume” to “Value”.

A key fundamental driver of this metamorphosis implies altering our product suite from plain-vanilla to high-efficiency, differentiated, and holistic specialty products. A strong focus is also being emphasised towards segment-based value creation and delivery. This will not only help us to serve our consumer needs holistically but also enable solid customer connect through value partnership. Over the last few years, we have significantly enhanced our systems & processes and IT-enabled analytical tools & dashboards that should not only help us to drive business efficiencies but also make us resilient to absorb global volatilities and disruptions.

The cathartic drive from “**Volume**” to “**Value**” is well-aligned with our fervent passion and zeal to serve the “**end-consumer**”. In short, our radical shift is aimed to strengthen our product portfolio, improve margins, consolidate our market position, provide better customer experience, thus in effect, enhance our market share and build a sustainable brand.

Well supported by capacity enhancements, along with forward and backward integration, this incessant overhaul is aimed at lowering the risk profile of each business and directly aligning us with the evolving market

landscape. With this, we adhere to our overall purpose of creating significant efficacy and effectiveness, and delivering value-added growth to all our stakeholders.



Today, DFPCL is at the turning point of becoming a consistent and reliable value creator. From our current position of strength, we are becoming an enduring and prominent company, with a confidence that rests on a sound strategy to drive sustainable growth through value creation.



## DFPCL – AT A GLANCE

# Delivering Enriched and Captivating Value Proposition

### Deep Rooted in Strengths

At Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), we are one of India's leading producers of Industrial Chemicals, Crop Nutrition and Mining Chemicals, with four decades of ingrained knowledge base and a proven experience. With a focus on sustained growth, our business segments are attuned to augment value and solutions quotient for our end-consumers.

### Serving Critical Sectors and Being Strongly Aligned with India's Growth Story

DFPCL serves critical sectors such as agriculture, pharmaceuticals, mining, infrastructure, health & hygiene, which directly impacts the economy and society. Thus it contributes to the country's economic progress and overall advancement.

### The DFPCL Business Edge

As the specialists in high-quality chemicals and fertilisers, surpassing domestic and international quality standards, we remain steadfast in our commitment to creating long-term value for all our stakeholders, while upholding the highest standards of corporate governance and sustainability.

### Propelling Ourselves from Commodity to Specialty

Steered by our motto to develop products and solutions that deliver integrated and holistic value and enhance customer satisfaction, we are transitioning from "products" to "solutions" and from "commodity" to "specialty", thus becoming more solutions-oriented and serving the specific requirements of our customers.





### Navigating Through Our Transformative Journey

Well-aligned with India's growth story

Value partnering to establish healthy connect with customers across business segments

Maintaining focus on augmenting shareholder returns

Migrating from commodity-oriented to value-added Specialty solutions

Continuing market leadership in most business verticals

Exhibited track record of ultra mega project execution

Strengthening the value chain with backward integration

Integrated plant operations to leverage cost efficiencies





## Reinforcing our Leadership Position in Key Sectors

1

Largest producer of Nitric Acid in South Asia

2

Leading manufacturer and marketer of Iso Propyl Alcohol (IPA)

3

India's only manufacturer of prilled Technical Ammonium Nitrate solids

4

India's only manufacturer of medical grade Ammonium Nitrate

5

India's only manufacturer of Nitrogen Phosphorus Prill 24:24:0 fertiliser

6

India's largest manufacturer of Bentonite sulphur

7

Market leader in specialty and water-soluble fertilisers in India

8

India's only producer of crop-specific, crop nutrient solution having Nitrogen, Phosphorus, and Potassium, with micronutrients and Nutrient Unlock Technology (NUT)



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### Strengthening our Position through Key Sectors Served

#### Crop Nutrition Business



- Agriculture
- Horticulture

#### Mining Chemicals



- Mining
- Infrastructure
- Explosives

#### Industrial Chemicals



- Pharmaceuticals
- Nitro Aromatics
- Paints & Coatings
- Steel
- Solar
- Adhesives
- Explosives
- Dyes & Pigments
- Agrochemicals
- Cosmetics
- Flavours & Fragrances
- Health & Hygiene





# Business Initiatives



Our wide range of Cororid Disinfectant Products keep smiles bright due to better infection control

## KEY OPERATIONAL HIGHLIGHTS

- Launched “Purosolv” range of solvents as a testament to our commitment of quality, exclusively for the pharmaceutical industry, offering pharma grade products such as IPA, Methanol and MDC.
- Satiated pharma customers’ requirement of world-class certified products, with full documentation support and prompt customer service.
- Launched Pickbrite, a one-of-its-kind innovative and eco-friendly Stainless Steel pickling solution effectively serving the industry’s ESG challenges, becoming the most eco-friendly choice for SS pickling.
- Launched Cororid for the hospital disinfection segment in southern and western India.
  - Expanded footprint beyond Tier-1 cities in existing addressable markets.
  - Working on capturing new untapped markets in southern India.
  - Expanding product portfolio by adding new products serving customers’ growing needs.
- Pioneered the launch of Pure DIPE (Di Isopropyl Ether) in India, suitable for high-grade applications in pharmaceutical industry.
- Witnessed excellent response in export volumes of IPA in international market which grew by 246% as compared to FY24.
- Achieved significant customer traction towards facilitating improvement in ESG scores.



## MINING CHEMICALS



TAN Technical Services Engineers stationed at the mine site to facilitate precise blast designs

### KEY OPERATIONAL HIGHLIGHTS

- Increased licence capacity of brownfield TAN manufacturing plants to 629 KTPA, up from 487 KTPA in FY23.
- Resumed TAN exports, post-lifting of ban by Gol.
- Building a world-class greenfield TAN plant at Gopalpur, Odisha with capacity of 376 KTPA to address the growing demand for ammonium nitrate.
- Target commissioning the Gopalpur plant by H2 - FY26, thereby enabling total 1 MMTPA TAN production capacity of the Company.
- Executed multiple Total Cost of Ownership (TCO) productivity improvement projects in Coal and Limestone mines.
- Organised technical seminar on "Enhanced Productivity and Self-Reliance in Mining Operations", with participation from leading Rajasthan-based mining companies.
- Initiated forward integration by marketing differentiated bulk explosives to a major private coal mining company.
- Deployed capabilities in Technical Services and Solutions to create value for the end users.





## CROP NUTRITION BUSINESS



Field Agronomist from CNB team explaining the importance of balanced nutrition to improve plant health for better yield

### KEY OPERATIONAL HIGHLIGHTS

- More than doubled sale of 'Croptek' in two years – from 46,000 MT in FY22 to 1.15 lakh MT in FY24.
- Received approval for third Croptek pulse grade in Fertiliser Control Order (FCO) authority/NBS; successfully launched Croptek grade for Soyabean.
- Established the Smartek product portfolio, generating sale of 1.7+ MMT since launch.
- Launched Solutek Banana grades and established Solutek Grapes, Tomato and Pomegranate grades.
- Onboarded 23,000 Saarthie farmers in Mahadhan App; Created "Saarthie Laabh" loyalty module in the App.
- Launched 'Aamche Tharalay' and 'Shetkaryanchi Yashogatha', innovative campaigns for Onion and Sugarcane crop, to better engage with farmers.
- Built robust pipeline of innovative products backed by strong R&D, with focus on soil health, balance nutrition and efficiency enhancement.
- Launched crop-specific balance nutrient fertiliser 'Croptek' with 0.7 million farmers for Onion, Cotton, Sugarcane, Maize, Potato and Arecanut.
- Research & Development collaboration with Agriculture Development Trust, Baramati, focussing on nutrition research for both field and horticulture crops.
- Added 3.6 lakh followers in Mahadhan on Facebook, totalling 9.2+ lakh followers.
- Conducted a 360-degree Integrated Crop Campaign in targeted geographies by leveraging a mix of mass media, branding, digital and social media and BTL activities to enable crop solution drive in key crops.



Largest Trampoline Park, Skyjumper at Creativity

## KEY OPERATIONAL HIGHLIGHTS

- Creativity continued its core fortification drive with signup and onboarding of several national and international brands and retailers. Febal Casa, Italy and Alf Italia, brought in the premium and customisation quotient to the offerings. Wooden Street, Wakefit, leading national players in furniture, opened stores at Creativity during the year. The occupancy was consolidated during the year with addition of over ten new brands and retailers, to retain over 80% occupancy. More excitement is on the anvil, with major international players likely to open their doors in the coming financial year.
- Creativity branded interiors, aimed at providing design and interior services with exclusive brand partnerships has been launched during the year and has been working on assisting customers in aspects of space planning and interior design, apart from the right product selection. The unique value proposition of being the “Single source of home interior solutions by providing complete advisory and support through meaningful knowledge-sharing and start-to-end execution” is being pursued with different customer segments.
- There is a conscious effort to establish an arguably first-of-its-kind house of brands, from Indian and International sources which will cover all categories of furniture, furnishing and home décor, thereby becoming a shopper expert platform for all things related to home interiors. This journey is expected to get accelerated in the coming year with several curated additions to the Mall.



# Message from **Chairman & Managing Director**

Relentless Pursuit of **Purpose with Passion**



Dear Shareholders,  
FY24 has been a remarkable year as we emerged more resilient and reinvigorated while steering through the challenges of unpredictable market conditions across all business segments yet staying focussed on our transformative journey from **“Volume to Value”**.

**S. C. Mehta**

Chairman & Managing Director



**“When we tackle obstacles, we find hidden reserves of courage and resilience we did not know we had.”**  
*-APJ Abdul Kalam*

#### Key highlights of FY24:

- Consolidated operating revenue of INR 8,676 Crore
- Operating EBITDA margin of 15%.
- Board recommended dividend of 85%.
- Achieving 100% design throughput for our 5,00,000 MT per annum capacity Ultra Mega Ammonia Plant.
- Highest short term credit ratings by CRISIL and reaffirmation of long term rating by ICRA with stable outlook.

#### Headwinds of FY24:

- Below normal and erratic monsoon
- Dumping of Russian Fertiliser Grade Ammonium Nitrate
- Dumping of Nitroaromatics and downstream from China impacting Nitric Acid
- Geo-political tensions from war and strife
- Fertiliser subsidy mismatch with volatility in global raw material prices

A rare black swan year where all our diverse businesses were tested for resilience, all in the same year!

While the topline decline was understandably in line with the general tapering down of both finished product and raw material pricing, the contribution margins stood the test of time, if one were to keep aside the one-time fertiliser subsidy correction and the one time cost hit from the stabilisation of the new Ammonia plant.

Despite the headwinds we remained steadfast in our resilience and resolve to move forward on the committed strategic path.

Over the last few years, our committed strategic path has remained focussed on:

- Getting Right Sized
- Solidifying Fundamentals with Backward Integration
- Evolving from Volume to Value

Let me share some updates on this journey.

#### A. Getting Right Sized

Our three businesses namely,

- Crop Nutrition Business,
- Mining Chemicals Business and
- Industrial Chemicals Business

enjoy a beautiful alignment with the India Growth Story and continue to sail

with very positive tailwinds: the growing demand from the country's needs for

- fruits & vegetables,
- power & infrastructure and
- Speciality chemicals & pharmaceuticals.

One of our capex drivers has been synergising our four decades of operational strengths with this excellent alignment with the India Growth story. The past capital outlay to enlarge our capacities in the Fertiliser/Crop Nutrition space and the on-going Capex projects in the building block specialty chemicals and mining chemicals space promise to deliver risk mitigated attractive returns with lower gestation. This is supported by the healthy GDP growth of the country as well as India providing a China-plus-one alternative global opportunity.

In particular, the on-going Nitric Acid project at Dahej and the Technical Ammonium Nitrate project at Gopalpur in Odisha, with a total capital outlay of over ₹4,500 Crore will both bring global scale and current generation highly efficient capacities, to propel the company as a right-sized strong player in each segment.

Despite the large capital outlay, given the synergies arising out of the alignment of our four decades of solid operational grip as well as the hugely growing country's demand, ICRA has reaffirmed our long-term and short-term ratings.



The fast-paced project progress and the resultant top-bottom line boost likely to emerge in the next 24 months are slated to raise the company to the next levels of financial performance.

### B. Solidifying Fundamentals with Backward Integration

The stabilisation of our new global scale current generation Ammonia project has solidified the foundation for all three business segments in terms of securitising the key raw material. The erstwhile global volatility in Ammonia prices is now a strong risk mitigation well captured in our basket of products covering the upstream and downstream of the chain. Port congestion led demurrages and stock out scenarios on the Ammonia front have become a thing of the past. The large freight cost savings as well as a massive carbon footprint reduction have been the cherries-on-the-cake.

With your company entering into India's largest private sector 15-year LNG contract with the Norwegian giant, Equinor, at globally linked attractive terms commencing from 2026, brings another large risk-mitigating strategy with respect to the value chain, solidifying the foundation, right from LNG to Ammonia to the building of Nitric Acids and leading to the downstream.

### C. Evolving from Volume to Value

Our passionate journey from Volume to Value continues and now promises to be a game-changer for each of our Business segments.

In our Crop Nutrition Business, newer crop-specific nutrient grades based on internal R&D efforts, multiple Agriculture University trials and field demos have now established our credibility at the farmer level, that of delivering improved Benefit Ratios covering yield and quality of the produce. The range of our crop nutrition portfolio now covers crop-specific grades for attractive cash crops like cotton, onion, soyabean and sugarcane. Our endeavour on top quality crop specific Water Soluble Fertilisers too have begun bearing fruits.

With the 80,000 demo plots and over 16 lakh farmers having experienced the efficacy of our new grades over the years, our "Volume to Value" business model, has moved from Concept to firm establishment with impactful and favourable thrust in our P&L.

Similarly exciting has been the journey of moving the product/volume centric portfolio of our Technical Ammonium Nitrate (TAN) to a mine-productivity improvement centric solution provider, thereby bringing significant TCO (Total Cost of Ownership) benefits to mine owners. The impactful value proposition of our Blasting Solutions has now also been established with third party certification and appreciation by some of our marquee customers especially in the limestone / cement, coal and infrastructure mine segments. Our investments in mining specific software solutions, tech-savvy teams, drones along with last mile delivery systems, have now ensured a firm footing for the "Volume to Value" strategy for our Mining Business.

Even in the Industrial Chemicals segment, the Steel Grade Nitric Acid and the Pharma Grade IPA based on intense work at the customer end along with backend tweaking of the manufacturing, storage and delivery systems, have now kickstarted firm delivery of value beyond a volume play.

**“To be successful, you have to have your heart in your business, and your business in your heart.”**

*-Thomas Watson*

Additionally, our drive continues to bring sustained value and contributions towards environmental protection and reduction of carbon footprint. Proactive capital-intensive steps such as the installation of N<sub>2</sub>O abatement systems in the Nitric Acid plants and nutrient recovery through RO-MEE, underscore our dedication to environmental stewardship. The new Ammonia plant has eliminated the logistic requirement from port to plant, resulting in a significant reduction of ground level emissions from road tanker movements.

The company has also initiated steps to increase its share of renewables beyond the existing 15 MW of wind and solar installations. The Company continues to strive to instil a culture of safety and

sustainability by conducting regular training awareness programs / periodic audits to review process safety, energy usage, losses, strict compliances and alarm triggers.

Aligning with the UN Sustainable Development Goals, the Company is working to implement energy-efficient technologies, renewable energy, water conservation and waste reduction initiatives. As a part of Extended Producer Responsibility (EPR), it has committed to responsible plastic waste management.

Our committed CSR initiatives bring strong self-reliance and positive impact in the needy segments of societies around all geographies of our operational footprint.

### Aligned Corporate Restructuring

Strengthening the value drive, the recently approved Corporate Restructuring plan by National Company Law Tribunal (NCLT), carving out each of our Business Segment into a separate corporate entity, will ensure:

- Passionate and focussed deliveries to the Volume to Value journey with dedicated work ethos focus right from the Board members to the lowest rung officer.
- Improved transparency and visibility for the investors to feel and understand the specific business segment dynamics.
- Sharply attractive propositions for global industry leaders to seek strategic alliances and joint ventures to expand their India footprints.



Our Volume to Value journey is now on a firm path to transform the very face of the Group in the years to follow.

Being right sized with a solidified foundation and a powerful strategy at play, moving from volume to value, all of it with restructured new corporate entities and excellent alignment with the India Growth Story, we are on the runway for a new take off.

**“When you’re surrounded by people who share a passionate commitment around a common purpose, anything is possible.”**  
-Howard Schultz,  
*Starbucks*

For their trust and uncompromising support through our journey of value creation, let me express my gratitude to our customers, business partners, bankers, associates, team members, and all other stake-holders. I would also like to convey my deep appreciation to our esteemed Board members whose wisdom and constructive critiques on strategic matters have been of immense help.

Bringing meaningful Value in every facet of our operations will remain our mantra for the decade ahead.

**S. C. Mehta**

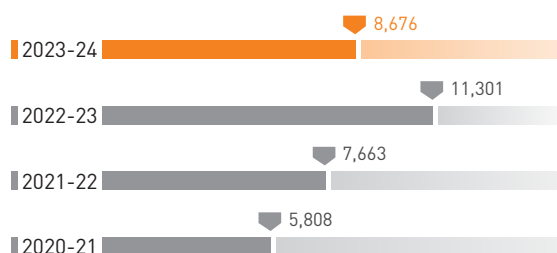
Chairman & Managing Director



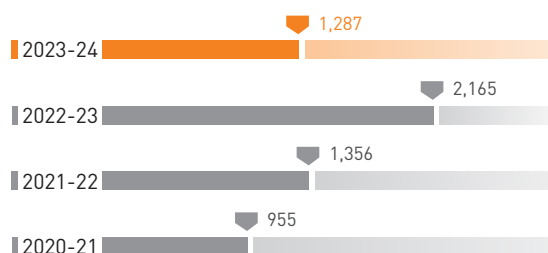
# Enhancing Shareholder Returns

## Financial Highlights - Consolidated

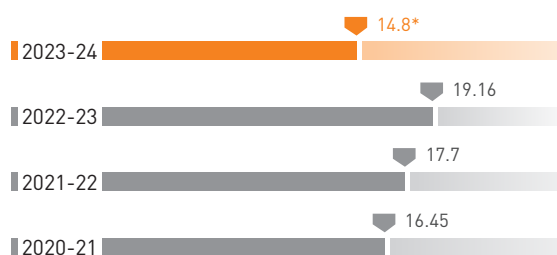
### Revenue from Operations (₹ in Crore)



### Operating EBITDA (₹ in Crore)

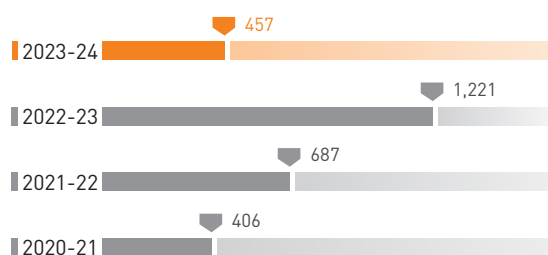


### EBITDA Margin (%)

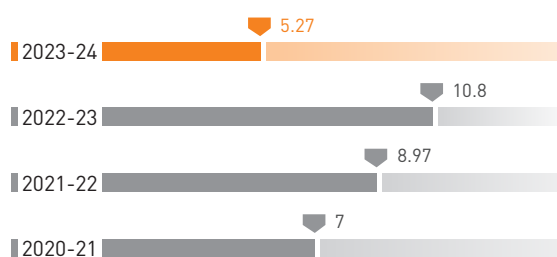


\* after adjusting one off, EBITDA margin is 18.3%

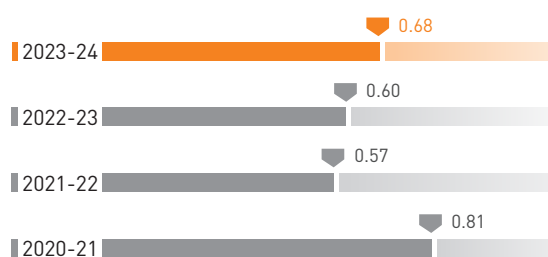
### Profit After Tax (₹ in Crore)



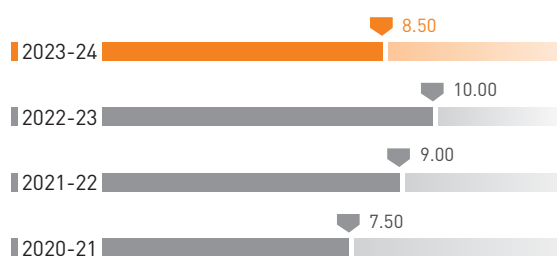
### PAT Margin (%)



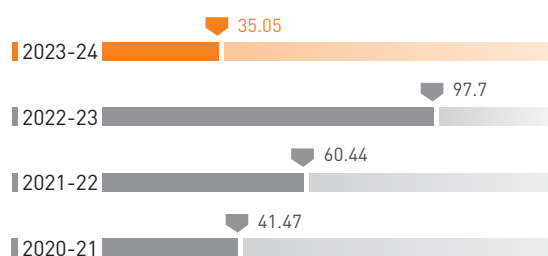
### Net Debt to Equity (x)



### Dividend (₹ / share)



### EPS (₹)



# Core Products



*Concentrated Nitric Acid Plant and Storage Tank at Dahej*

## INDUSTRIAL CHEMICALS (IC)

- Concentrated Nitric Acid
- Weak Nitric Acid
- Strong Nitric Acid
- Iso Propyl Alcohol
- Methanol
- Liquid CO<sub>2</sub>
- Ammonia

## MINING CHEMICALS

- Low Density Ammonium Nitrate
- High Density Ammonium Nitrate
- Ammonium Nitrate Melt
- Medical Grade Ammonium Nitrate

## CROP NUTRITION BUSINESS (CNB)

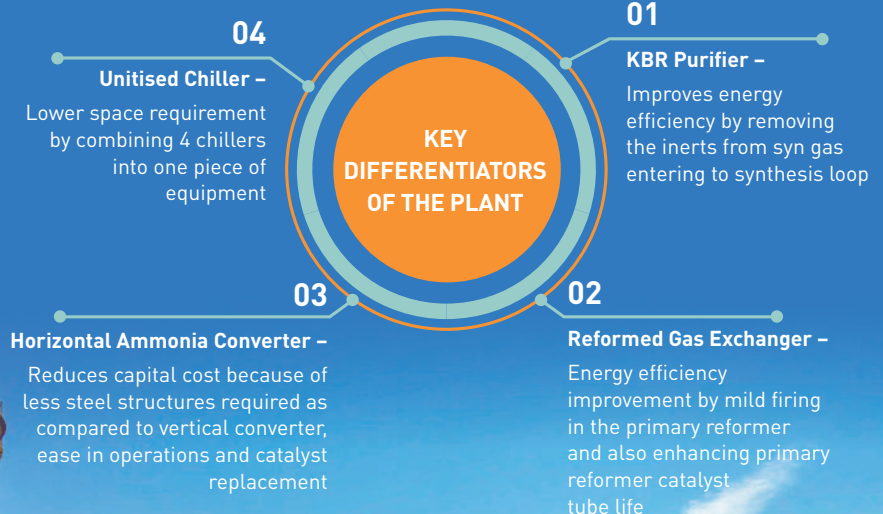
- Nitro Phosphate Fertiliser
- Nitrogen Phosphorous Potassium Fertilisers
- Bentonite Sulphur
- Water Soluble Fertilisers



# Setting New Benchmarks, Scaling New Heights

In June 2023, DFPCL through its step-down subsidiary Performance Chemiserve Ltd. (PCL) successfully commissioned a world-class 1500 MTPD Ammonia Plant. The project was completed in a record time of 26 months, setting a benchmark in the industry for a large-scale Green Field Ammonia Plant with all offsites and utilities.

Toyo India was the EPC partner, and Icons was the PMC. The project was executed with the highest standards of safety quality, meeting all statutory requirements, and was awarded the coveted ROSPA Gold award for excellence in safety performance with no LTI for more than 13 mn man-hours worked during the project execution. Following the commissioning, the Performance Guarantee Test of the plant was successfully conducted in January 2024, and the plant has been operating successfully at the design capacity since then.







DM Plant and Water Storage Tanks



Reverse Osmosis (RO) Plant



Main Control Room



Ammonia Process Plant – Reformer Area



Gas Chromatography Room



Ammonia Process Plant – Reformer Stack and Columns



Water Control Room



# Awards & Recognitions



## LEADERSHIP (BEST CEO)

Business Today, a part of the India Today Group, recently named Mr. Sailesh Mehta, Chairman & Managing Director, DFPCL as the 'BT Best CEO' in the Natural Resources (Chemicals, Metals & Mining) Category.

The award was given based on the evaluation of financial management and ethical dimensions of various shortlisted corporates by an eminent committee headed by Mr. Uday Kotak.

The award validates the dedication and drive of the DFPCL team, orchestrated under the leadership of Mr. Sailesh Mehta.



Mr. S.C. Mehta, CMD - DFPCL, receiving the award from the Honourable Minister of Petroleum and Natural Gas, Shri Hardeep Singh Puri, the Managing Editor of the India Today Group, Shri Aroon Puri, and Mr. Shyam Srinivasan, CMD, Federal Bank.



## CSR

Ishanya Foundation, the CSR arm of DFPCL was honoured with the Societal Impact Award at the India's Moment Conclave, hosted by Y4D Foundation. The award, presented by Deputy Chief Minister of Maharashtra, Shri Devendra Fadnavis, recognised the foundation's remarkable contributions.



Ishanya Foundation receives the award for societal impact at the India's Moment Conclave, organised by Y4D Foundation at the hands of Hon. Dy. CM of Maharashtra, Shri Devendra Fadnavis

DFPCL, through its CSR arm Ishanya Foundation, was bestowed with the 'Act of Compassion Award' in the 'Excellence in Empowerment through Economic Development' category by 'The Times of India' in partnership with Ruby Hall Clinic. The award, presented by Honourable Union Minister for Road, Transport & Highways, Shri Nitin Gadkari, acknowledged Ishanya Foundation's impactful CSR endeavours.



Mr. Naresh Piniseti, President - Corporate Governance (extreme right) receiving the award from Shri Nitin Gadkari, Hon. Union Minister of Road, Transport & Highways



## SAFETY

- International Safety Award - 2024 from British Safety Council for demonstrating a strong commitment to Good Health & Safety Management for Plot K-8, Talaja.
- Certificate of Appreciation from National Safety Council of India under the NSCI Safety Awards 2023 (Manufacturing Sector - Group B) for Plot K-7, Talaja.
- Certificate of Appreciation from National Safety Council of India under the NSCI Safety Awards 2023 (Manufacturing Sector - Group B) for JNPT plot.



## QUALITY CONCEPTS

- Gold Award at the 37<sup>th</sup> Annual Chapter Convention on Quality Concepts for Plot K-8, Talaja.



## PROCUREMENT & SUPPLY CHAIN MANAGEMENT

- Best-In-Class Supply Chain Innovation at the 15<sup>th</sup> ELSC Leadership Award.
- Top Ten Chemical Supply Chain Company 2023 at the SCM Chem India 2023 Award by ISCM.
- Operational Excellence in Logistics at the Business World Supply Chain Competitiveness Awards 2023.
- Excellence in Procurement 2024 & Procurement Digital Transformation Award at Procurement Excellence Award 2024.



## BEST BRAND

- Creaticity received the Home Retail Brand of the Year by Outlook Group.
- Creaticity received the Specialty Mall of the Year - Home Retail by Global Awards for Retail Excellence certified by Asia, Africa, GCC Retail & Shopping Centre Congress.



## WORKPLACE

- Pune Best Employer Brand Award 2023.
- Most Preferred Workplace for 2023-24 by Marksmen Daily.
- Happy Companies to Work for by World Happiness Congress & Awards.



## DIVERSITY & INCLUSION

- Most Prominent Diversity & Inclusion Leader by World HRD Congress awarded to Mr. Romy Sahay, President - Human Resources.



## RURAL INDIA

- Mahadhan AgriTech Limited (MAL) received RMAI Corporate Excellence Award - 2023 for outstanding contribution and path-breaking work in rural India.





# Ushering in **Tangible** and **Sustainable Benefits**

Positively impacted lives of **47,195** Beneficiaries in FY 2023-24

Social responsibility is a fundamental component of our identity. We are proud to be active participants in our local communities. Our goal is to bring tangible and sustainable benefits to the communities in which we operate and help them become financially independent.

We seek to be a force for good by supporting social entrepreneurship and giving back to the communities. Through Ishanya Foundation (IsFon), DFPCL's CSR arm, we serve a wide range of outreach programmes and initiatives that enable far-reaching, life-transforming changes.

Reaching out to diverse communities and impacting countless lives, our target areas are particularly aimed at providing skill development, knowledge dissemination, and robust support systems all of which help in

cultivating sustainable livelihoods. Focussed on the urban and rural segments, our projects are meticulously crafted to nurture pride, empower individuals, and foster self-reliance.

We invest significantly in data gathering and analysis to ensure our interventions make a meaningful impact. Every project is ingrained with innovation and aligned with the evolving needs of contemporary India in seeking equitable and inclusive opportunities.



Finance and Accounting Course conducted at IsFon

## RURAL AND URBAN BENEFICIARIES OF OUR INITIATIVES IN FY 2023-24

Project	Rural Beneficiaries	Urban Beneficiaries	Total Beneficiaries
Vocational Skill Development Project (VSDP)	111	701	812
Livelihood Enhancement through Entrepreneurship Development (LEED)	57	4*	5,431
Wadi Project	434	NA	434
Dairy Development Project (DDP)	262	NA	262
Community Development & Social Welfare (CDSW)	710	3,884*	4,594
Aarogyam	24,283	229*	26,821
Gyanam	7,891	950*	8,841
<b>Total</b>	<b>33,748</b>	<b>5,067*</b>	<b>47,195</b>

\*Activities carried out in Srikakulam through BREDS NGO

## URBAN INITIATIVES

As part of its Urban Initiatives, IsFon focusses on areas that are geared towards enhancing employability and augmenting income. This encompasses Vocational Skill Development Project (VSDP), Livelihood Enhancement through Entrepreneurship Development Project (LEED) and Aarogyam.

LEED includes Muskaan, Income Generation Programme (IGP), Yellow Ribbon NGO & Artisan's Fair (YRNF), and Entrepreneurship Development.

Aarogyam is aimed at improving health of local communities.

### 1. VOCATIONAL SKILL DEVELOPMENT PROJECT (VSDP) – URBAN

IsFon offers a diverse array of job-oriented vocational courses with the key goal of equipping the beneficiaries with necessary skills for improved employment opportunities, in turn facilitating them to move towards sustainable livelihoods. As a part of this endeavour to improve their employment prospects, significant emphasis is placed on one-on-one mentorship, soft-skills training, job readiness training and placement guidance. Post-being placed, we continue to offer counselling for six months.



Electric Mechanic Course in Progress

**701** Aspirants trained

**618** Aspirants employed

Earnings

₹ **10,000 - 25,000**/month

### Key Features:

- Underprivileged women, youth, and school dropouts from marginalised sections can apply.
- Soft skills training and sessions are conducted on Spoken English, Personality Development, Yoga, Health Awareness, Financial Literacy and Environmental Awareness.
- Expert trainers help enhance participants' soft skills and placement interview readiness.
- One-on-one mentorship is provided to each beneficiary.
- Facilitation of placement opportunities for each beneficiary.



Aspirants of Printed Circuit Board undergoing their practicals

### 2. LIVELIHOOD ENHANCEMENT THROUGH ENTREPRENEURSHIP DEVELOPMENT (LEED)

This programme is aimed at providing entrepreneurship opportunities and facilitating livelihoods by offering a secondary source of income to financially challenged women. LEED consists of the following initiatives:



## A. INCOME GENERATION PROGRAMME (IGP)

As part of this programme, women are trained to enhance their tailoring abilities, empowering them to create exquisite handmade cloth products such as envelopes, bags, thali covers, placemats, saree covers, and jewellery pouches, among many other products.



Unique gifting products

**8** Groups of women are positively impacted and enabled to generate significant additional income

**₹ 8.24 Lakh**  
Worth of products sold

**₹ 2.82 Lakh**  
Total income earned

## B. MUSKAAN

Designed on the principles of 'Reuse, Recycle & Revenue Generation', Muskaan is a unique initiative undertaken to empower financially challenged women, referred to by us as 'Parees'. It provides an opportunity to earn a secondary source of income by selling pre-owned garments, bags, accessories, crockery and linens (received from donors) in marginalised communities. As part of its V-Collect initiative, Swachh recycles the unsold garments.

With this, Muskaan fosters economic empowerment for the Parees as well as assists customers in gaining access to quality garments at nominal prices. The Reuse and Recycling of goods also supports environmental sustainability.



Sale of pre-owned garments at the YRNF

**₹ 2.97 Lakh**  
Revenue generated from sale of garments

**15** Muskaan Parees benefited

**3,319** Customers benefited

## C. YELLOW RIBBON NGO & ARTISAN'S FAIR (YRNF)

The annual Yellow Ribbon NGO & Artisan's Fair organised at Creaticity, Pune served as a distinct platform to showcase products of various NGOs, artisans, farmers, social enterprises, and self-help groups from across India.

Supported by NABARD and Kalavishkar Pradarshini, YRNF provided the participants with an opportunity to spread the word about their cause and also engage with individuals, retailers, corporates, other NGOs and government bodies, thereby facilitating exchange of ideas, collaborations and improvement in product sales.



Ms. Padmini Kolhapure, Film Actress & Ms. Parul Mehta, Managing Trustee, IsFon at YRNF

**162** Participating organisations benefitted

**₹ 1.12 Crore** Total Sales

**10,142** Footfalls

**80** Gift Hampers curated by IsFon benefited 10 NGOs, SHGs and social enterprises clocking total sales of ₹ 2 Lakh

Traditional and contemporary items were exhibited at the Fair, including woven, dyed and embroidered fabrics, sarees and shawls, organic pulses, dry fruits and vegetables, handicraft items including paintings, baskets, lamps, mats, household products, footwear, wooden toys, and more.

**Active participation from States:**

• Bihar	• Jharkhand	• Punjab
• Delhi	• Karnataka	• Rajasthan
• Gujarat	• Maharashtra	• Telangana
• Himachal Pradesh	• Odisha	• West Bengal

**D. ENTREPRENEURSHIP DEVELOPMENT (URBAN AND RURAL)**

Limited entrepreneurial skills, lack of information, inadequate access to markets, and financial constraints hinder the progress of under-privileged individuals. The Entrepreneurship Development initiative endeavours to turn these aspirations into tangible achievements. With enhanced skills and the required essential tools, these individuals turn into entrepreneurs and manage their small businesses effectively.

Support is provided for sewai machine, parlour kit, welding machine, utensils and canteen gas stove, paddy harvester, handcart, multifunction printer, lamination machine, refrigerator, garage tool kit, Aata mixing machine, KNC air compressor with motor and kit, and others.



Support of Sewai machine to Archana Kamble to enhance production capacity

**E. EMPLOYEE AND INDIVIDUAL VOLUNTEER ENGAGEMENT ACTIVITIES**

Individual volunteers and employees actively participated in IsFon-organised initiatives, securing a chance to contribute to philanthropic endeavours and expand horizons.



Employee Engagement activity at YRNF

**3. AAROGYAM – (URBAN)**

We run a diagnostic centre at IsFon premises in collaboration with N. M. Medical, Pune. This centre provides a large variety of diagnostic tests such as blood tests, x-rays, and scans at subsidised rates. More and more under-privileged patients are availing this service.

The aim is to provide timely diagnosis of the disease for starting accurate treatment.



Pathology Collection Centre at Pune

Total Patients Covered:  
**2,189** (For Pathology, Radiology, CT Scan, MRI, and Chronic Disease Support)

**RURAL INITIATIVES**

As part of its rural initiatives, IsFon focusses on areas through various endeavours aimed at rural communities. IsFon empowers small and marginalised farmers, women, and youth by helping them overcome poverty, address their health challenges, and aid in securing sustainable livelihoods.

**1. WADI PROJECT**

The Wadi Project aims at transforming the eroded wastelands into flourishing forestry plantations and orchards, and in the process, generating a sustainable secondary source of income for small and marginalised farmers. Post-meticulous selection, the farmers are provided with comprehensive guidance in modern agricultural practices, commercial farming techniques and ways to generate market linkages.

<b>10,840</b> Mango Trees planted on 191.50 Acres	<b>380</b> Wadi participants	<b>18</b> Villages and hamlets covered
<b>94.59%</b> Survival rate of Mango Trees	<b>₹ 24.34 Lakh</b> Total Sales	<b>₹ 59.17 Lakh</b> Earnings from Vegetable Sales
<b>128.05 Acres</b> Total vegetable cultivation		



**Key Features:**

- Farmers are provided with integrated farming tools such as lifting devices, trained in technique and application of plant nutrition and measures to control pests.
- Each Wadi is formed using soil and water conservation techniques that help to protect the environment.
- Half acre land of each participant is transformed into a Kesar mango orchard comprising 30 trees, while also using the land for vegetable farming, which ensures continuous income until the mango tree starts fruiting, and also after that.



A Tribal Couple with Mango Harvest

**2. DAIRY DEVELOPMENT PROJECT**

Dairy development boosts the local economy by providing a stable source of income to the beneficiaries. IsFon donates cows and disseminates new skills in dairy farming and fodder production techniques to small & marginalised farmers and landless labourers in Panvel and Ambernath talukas of Raigad and Thane districts, respectively. This helps to boost milk production and enhance productivity. Sale of milk and cow dung helps farmers earn an average additional ₹ 8,000 to ₹ 12,000 every month.



A Family Happily Nurturing the Cow and Calf

**4,67,960**  
litres  
Milk produced

**3,44,935**  
litres  
Milk sold in the market

**₹ 1.61**  
Crore  
Additional income earned through sale of milk

**93.61MT**  
Cow dung produced

**46.68%**  
Conception rate of cattle

**402**  
Calving in FY2024  
(Male:175; Female: 227)

**Key Features:**

- Providing cross-breed cows to eligible women in farmer households.
- Support to develop fodder plots to ensure adequate nutrition for cattle.
- Doorstep services including vaccination, artificial insemination and pregnancy diagnosis.
- Establishing market linkages for selling milk, ensuring a steady income stream.

**3. VOCATIONAL SKILL DEVELOPMENT PROJECT (VSDP) – RURAL**

IsFon conducts skill enhancement training for tailoring and optometry courses in rural areas. These activities create a positive impact on the aspirants and provide them with financial stability and inclusivity within the community.

**111** Aspirants trained

**39** Aspirants employed

Earnings  
**₹ 12,000-15,000/month**



Student Optometrist Handling a Patient

#### 4. AAROGYAM (RURAL)

Improving the health and well-being of communities we operate within has been one of our key focus areas. By offering high-quality preventive and curative healthcare services through mobile clinics, subsidised diagnostic centre services, installation of water purifiers, and various health check-up camps, we constantly strive to make a meaningful impact on healthcare accessibility and outcomes.

##### Healthcare services provided at Taloja and Dahej

TALOJA	DAHEJ
<b>General health check-up:</b> 20,920 Patients provided with doorstep health services in 38 villages through 2 Mobile Clinics	<b>3 General health check-up camps:</b> <ul style="list-style-type: none"> <li>Organised at Koliyad, Suva Primary School</li> <li>427 patients covered</li> </ul>
<b>5 Eye Check-up Camps:</b> <ul style="list-style-type: none"> <li>988 patients screened</li> <li>304 cataracts diagnosed</li> <li>261 cataract surgeries performed</li> <li>372 patients provided with spectacles</li> </ul>	<b>2 Eye Check-up Camps:</b> <ul style="list-style-type: none"> <li>263 patients screened</li> <li>23 cataract operations performed</li> <li>96 patients provided with spectacles</li> </ul>
<b>1 Dental Camp:</b> 52 patients provided with medicines	<b>RO Water Purifier:</b> <ul style="list-style-type: none"> <li>1 Unit installed</li> <li>Benefited 45 children at Anganwadi, Rahiyad</li> </ul>
<b>1 Dermatology Camp:</b> 87 patients provided with medicines	
<b>Pathology Lab:</b> Assisted 219 patients	
<b>20 Anganwadis given:</b> 1 Weighing Scale and 1 Cupboard each	
<b>Food Kit provided to:</b> 200 TB patients for 6 months	



Eye Check-up Camp at Raigad ZP School, Taloja

#### 5. GYANAM

We remain focussed on enhancing learning aids and improving school infrastructure and environment around Taloja, Dahej, and Srikakulam through various interventions and initiatives.

##### Educational services provided at Taloja and Dahej

TALOJA	DAHEJ
<b>37 digital classrooms:</b> Benefited 1,384 students	<b>New flooring in classroom:</b> 36 students benefited at Rahiyad Primary School
<b>2 STEM Learning Labs provided:</b> Benefited 1,508 students	<b>50 LPH RO Water Purifier unit provided:</b> 192 students benefited at 3 schools
<b>3 Desktop Computers and Printers:</b> At Raigad ZP School Chinchvali, Navde, and Devichapada	<b>Classroom furniture provided:</b> At Rahiyad Primary School
<b>Water purifier, storage and distribution:</b> 323 students benefited at Raigad ZP School, Pendhar	<b>Library Cupboard for Books:</b> At Rahiyad Primary School
<b>RCC Hall for Computer Lab constructed:</b> At Raigad ZP School, Tondre	<b>2 Sets of Desktop Computer &amp; Printer:</b> At Rahiyad Secondary School and Koliyad Primary School
<b>Renovation and repair of toilets:</b> 395 students benefited at Raigad ZP School, Navde	<b>Renovation, Repair and Painting of School:</b> 28 students benefited at Rahiyad Primary School
<b>Renovation and painting:</b> 375 students benefited at Raigad ZP School, Khairne	<b>Teachers for Maths and Social Science appointed:</b> 98 students benefited
<b>3 Sports Kit provided:</b> 1,651 students benefited	<b>Science Lab Furniture provided:</b> 40 students benefited at Suva Primary School
<b>Safety grill installed:</b> 194 students benefited at Raigad ZP School, Nitlas	<b>Renovation and repair of separate toilets for Boys and Girls:</b> 290 students benefited at Suva Primary School

#### 6. COMMUNITY DEVELOPMENT AND SOCIAL WELFARE (CDSW)

These initiatives serve as a catalyst for community development, enhance residents' quality of life and foster a stronger and cohesive society. They empower members to address economic, social and environmental challenges.

TALOJA	DAHEJ
<b>Open Gymnasium:</b> Installed Open Gym with equipment at Chinchavali and Kanpoli villages	<b>Paver block and shed construction:</b> <ul style="list-style-type: none"> <li>120 families benefited in Laamu Faliya</li> <li>75 families benefited in Rahiyad village</li> </ul>
<b>RO unit at Kanpoli village:</b> Installed Community RO Unit with Drinking Water ATM of 1,000 litres/hour capacity	<b>Paver block and shed construction:</b> 50 families benefited during floods at Bharuch and Ankleshwar



# Management Discussion & Analysis

## ECONOMIC OVERVIEW

### Global

The global economy showed surprising resilience in 2023, maintaining a stable growth rate of 3.2% despite significant challenges. These included escalating geopolitical conflicts, higher inflation, prolonged high interest rates, a slow recovery in China, and volatility in energy and food prices. However, economic performance in the United States and several key emerging and developing economies, along with inflation meeting target levels in advanced economies, have mitigated the risk of a severe global economic downturn.

While uncertainties persist, particularly from geopolitical tensions and related price volatilities, various positive factors are expected to enhance the overall economic outlook. The global inflation is projected to decrease from 6.8% in 2023 to 4.5% by 2025, which bodes well for financial stability. This anticipated decline in inflation along with the easing of fiscal policies, the fading of energy price shocks, a rebound in the euro area, and a notable resurgence in labour supply in many advanced economies suggest

a cautiously optimistic outlook with steady growth rates as we move into 2024 and 2025. Advanced economies may see slight growth at 1.7%, while growth in emerging and developing economies is expected to remain stable at 4.2%.

*[Source: IMF - World Economic Outlook, April 2024]*

### India

Amidst a volatile global economic environment, the Indian economy retains its position as the world's fifth-largest and fastest-growing economy. According to estimates, India witnessed a healthy GDP growth of 7.6% in FY24 compared to 7% growth in FY23. Construction sector (10.7% growth) and Manufacturing sector (8.5% growth) were the key GDP growth drivers supported by robust domestic demand, moderate inflation, stable interest rates, and large capex/infra spends.

According to the IMF, the Indian economy is expected to grow steadily, with a projected increase of 6.8% in FY25 and 6.5% in FY26. The RBI is even more optimistic, forecasting 7% growth for FY25. This growth is supported by

robust domestic demand, a revival in manufacturing and services, increased capital expenditure, and positive business and consumer sentiments. Initiatives like 'Make in India 2.0', 'Ease of Doing Business', and the PLI scheme are not only strengthening the infrastructure and manufacturing sectors, but also integrating India into the global value chain. Additionally, the AtmaNirbhar Bharat initiative positions India as a lucrative global manufacturing hub and a strategic alternative destination for companies willing to diversify geographically.

The Union Budget 2024-25 lays the foundation for the vision of a developed India by 2047 and outlines a multi-pronged economic management strategy. It focusses on the welfare of farmers ('Annadata') with direct financial assistance to 12 crore farmers under PM-KISAN, crop insurance to four crore farmers under PM Fasal Bima Yojana, and integration of 1,361 mandis under e-NAM, supporting trading volume of ₹ 3 lakh crore.

*[Source: Ministry of Statistics & Programme Implementation, Ministry of Commerce & Industry, Reserve Bank of India, Ministry of Finance, IMF - World Economic Outlook, April 2024]*



Raw Water Lagoon at the newly commissioned Ammonia Plant at Taloja

## INDUSTRY OVERVIEW

### Chemicals

The Indian chemicals sector has emerged as a dynamic and rapidly growing industry on the global stage. With a market size of US\$ 220 billion in 2022, it ranks as the sixth-largest chemical producer globally, and the third in Asia. The sector is expected to reach US\$ 1 trillion by 2040, on the back of rising demand in the end-user segments for specialty chemicals and petrochemicals leading to robust domestic demand.

Government initiatives, including emphasis on R&D, reductions in basic customs duties, mandating BIS-like certification for imported chemicals, 'Make in India' and the PLI scheme, aim to foster sectoral growth and increase the competitiveness of domestic manufacturers. The government has set up a 2034 vision for the chemicals and petrochemicals sector to improve domestic production, reduce imports and attract investments. Despite challenges like limited feedstock availability, low access to building blocks and key minerals, and inadequate R&D facilities, India is poised to ascend as a global hub for chemicals. Favourable demographics, increasing preference for eco-friendly products, and the global shift in supply chains following the 'China plus one' strategy are significant drivers propelling the sector forward.

*(Source: Chemical Industry, Chemicals Manufacturers and Exporters in India - IBEF)*

### Pharmaceutical

According to market research firm IMARC, the Indian pharmaceutical market is expected to reach US\$ 163 billion by 2032. India's medical spending is expected to increase by 9-12% over the next five years, placing it among the top 10 nations. In the export market, Indian companies are poised to benefit from losses of exclusivity of branded generics which are replaced by biosimilars. Strong government push with increased allocation to

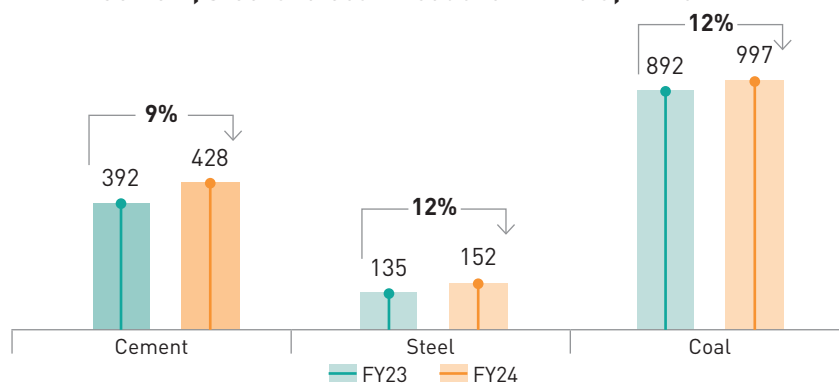
the pharma sector and prioritisation of healthcare, will boost sectoral growth. The industry is poised for expansion in the future, buoyed by factors including, prevalence of chronic diseases, improved medicine accessibility in emerging markets, strong development of the generics market, peak in US drugs patents expiring in 2024, growing trend of pharmaceutical outsourcing and the rise of Contract Development and Manufacturing Organisation (CDMO) in the global pharmaceutical landscape.

*(Source: 1688971213\_Pharma Growth and Margin July 2023.pdf (careratings.com))*

### Mining & Infrastructure

India continued its growth trajectory in the mining & infrastructure sector. In FY24, India produced 997 (MMT) of Coal compared to 892 MMT in FY23, up by 12%. Coal production in FY24 saw significant growth, 26% increase from captive/commercial coal mining companies, along with 10% growth from Coal India Limited and 4% growth from Singareni Collieries Company Limited.

### Cement, Steel and Coal Production in India, Million MT



*(Source: Office of the Economic Advisor, DPIIT)*

Healthy growth was achieved in the production of iron ore and limestone reflecting robust demand in user industries, like steel and cement, which together reflect strong demand in the infrastructure sector. Cement production in FY24 grew by 9% and steel production grew by 12%.



*Illuminating Innovation: A Night View of Plot K1 Manufacturing Plant at Taloja*





State-of-the-art Technical Ammonium Nitrate Plant at Srikakulam

Mining and infrastructure sectors significantly impact India's GDP growth. In the Interim Union Budget 2024-25, a 17% increase in capital outlay, along with allocations of ₹ 2.78 lakh crore for roads and bridges, and ₹ 2.55 lakh crore for the railways, is expected to boost infrastructure development and have a substantial multiplier effect on economic growth. Additionally, the government has announced the expansion of existing airports, development of new airports under the UDAN scheme, infrastructure projects for port connectivity, tourism amenities, and construction of

additional 20 million houses under the PMAY (Grameen) scheme in the next five years, and promotion of urban transformation via metro rail and NaMo Bharat. This will in turn drive the demand for power, cement, steel, other minerals and rock/stone aggregates.

Technical Ammonium Nitrate (TAN), essential for commercial explosives in blasting applications, is essential to the growth in India's infrastructure and mining sectors. With increasing demand for power, key minerals and infrastructure development, the demand for TAN is expected to rise.

## Agriculture

Agriculture, with its allied sectors, is the largest source of employment in India. With ~60% of the Indian population engaged in the sector, it contributes 18% to India's GDP. India boasts the world's second-largest arable land, encompassing 46 of the 60 soil types in the world. It has the largest area planted for wheat, rice, and cotton. It is the largest producer of pulses, and spices and the second-largest producer of fruit, vegetables, tea, sugarcane, wheat, rice, and sugar.

As per the Second Advance Estimates of major agricultural crops for FY24, Kharif foodgrain production is estimated at 154 Million Tonnes, while Rabi foodgrain production is estimated at 155 Million Tonnes. Agricultural output growth is anticipated to reach a five-year high of over 6% in FY25, supported by a normal monsoon and a low base effect. The government is developing strategies to boost exports of 20 items, including bananas, mangoes, potatoes, and baby corn, which hold significant growth potential in the global markets.

However, the agricultural land in India is rapidly decreasing while the demand for agricultural products is increasing. To boost productivity on 174 million hectares of arable land and meet high domestic demand for agricultural products, an increased investment in agricultural infrastructure like irrigation facilities, warehousing, and cold storage coupled with innovative crop-specific solutions boosting Nutrient use efficiency will be the key to be self-sufficient.

*[Source: Agriculture Presentation: Industry Overview, Market Size, Role in Development | IBEF [pib.gov.in/PressReleaseIframePage.aspx?PRID=2010380](http://pib.gov.in/PressReleaseIframePage.aspx?PRID=2010380)]*

## BUSINESS OVERVIEW

With a rich legacy of four decades, Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL or the Company) is a multi-product, multi segment player catering to a wide range of core segments of the Indian economy including mining, pharma & chemicals, infrastructure and agriculture. The Company has its business operations spread across four business verticals:



### INDUSTRIAL CHEMICALS (IC)



### MINING CHEMICALS



### CROP NUTRITION BUSINESS (CNB)



### VALUE ADDED REAL ESTATE (VARE)

The Company has six world-class manufacturing facilities situated at Taloja (Maharashtra), Dahej (Gujarat), Srikakulam (Andhra Pradesh), Panipat (Haryana) and a seventh facility is upcoming at Gopalpur in Odisha state.



*Iso Propyl Alcohol Drumming Plant at Taloja*

## Industrial Chemicals (IC)

DFPCL holds a leadership position in the manufacturing of Industrial Chemicals, including Nitric Acid (DNA, CNA, SNA), Iso Propyl Alcohol (IPA — pharma grade, food grade, cosmetic grade, standard grade, etc.), Ammonia, and Liquid Carbon Dioxide.

Strategically, DFPCL is committed to enhancing value for all stakeholders by shifting its IC business from a commodity focus to a specialty focus, thereby ensuring a stronger value proposition. This approach not only secures stable earning opportunities and repeat orders but also fosters long-term customer relationships and strengthens brand value, ultimately leading to sustained value creation for the Company and its shareholders.

## Iso Propyl Alcohol (IPA)

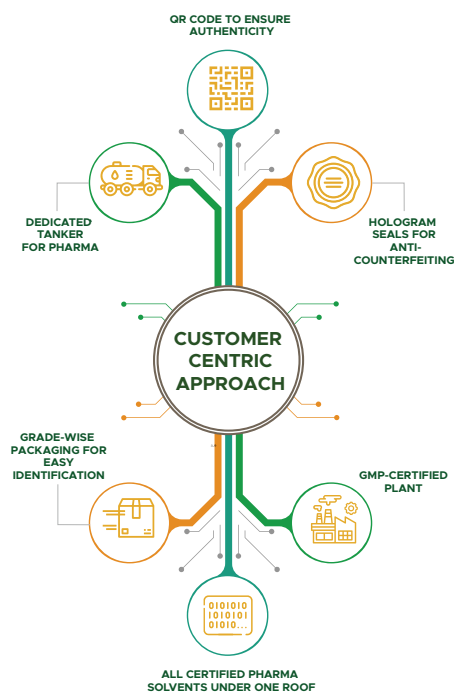
DFPCL, one of the largest manufacturers of Iso Propyl Alcohol (IPA) in India – a solvent predominantly used in the pharmaceutical industry – is equipped to supply any pharmacopeial grade of IPA (IP, BP, EP, USP, JP, CP, and multi-compendial). This capability supports the demand for high-grade solvents in both the formulation and

API manufacturing stages of the pharmaceutical industry.

In FY24, DFPCL introduced 'PUROSOLV' a brand for Pharmacopeia grade IPA and other solvents (methanol, acetone and MDC) which are being used in pharma industry. DFPCL's increased focus on pharma grade IPA in line with its long-term commitment to end user's wellbeing and health safety.

The Company's solvent products meet international quality standards for use in coatings and inks, specialty chemicals and cosmetics. Apart from all the pharmacopeia standards, solvents are also compliant to other standards like OHSAS, FDA, CFDA, HALAL & KOSHER with acceptance across markets of USA, EU, Africa, Middle East and Far East. 'PUROSOLV' – one-stop for certified pharmacopeia solvents including IPA, methanol, acetone, and methylene di chloride. The brand was showcased extensively in India and abroad during the Company's participation in CPHI exhibitions in Europe and India. PUROSOLV relies on its focus on Technology, Quality and Service. The use of technology like QR codes





*Nitric Acid Tanker Filling Area at Dahej*

for authenticity, on-demand online authentication checks, and hologram seals sets PUROSOLV apart from other players in India and overseas.

Manufacturing of IPA using the propylene route ensures high-purity, benzene-free IPA is produced in the GMP-approved plants. Through an extremely efficient and environment-friendly direct hydration process, the Company ensures highest quality standard, world-class service, quick TAT and customer satisfaction. The product is delivered using dedicated pharma tankers to ensure no contamination during logistics. Newly introduced solvents are supplied from 21 CFR Part 11 compliant FDA and GMP-approved plants.

The demand for IPA is witnessing healthy growth led by multiple industries like pharmaceuticals, chemicals, electronics, automotive, flavour and fragrances, and cosmetics. Consumption of IPA is projected to grow by ~6% Y-o-Y to reach around 410 KTPA by FY33. In view of the PLI

scheme launched by the government for semiconductor industries, significant growth is expected in the high-purity IPA segment.

### Nitric Acid

Nitric Acid, an important chemical, finds applications in various industries. It is used in producing nitrate-based fertilisers, ammonium nitrate and nitroaromatics (nitro benzene, nitro toluene) and in industries like steel, dairy, chemical intermediates and rocket propellants.

Production of Technical Ammonium Nitrate (TAN) and Ammonium Nitro Phosphate (ANP) utilises a significant portion of the Nitric Acid manufactured, while the remaining is supplied to the market in different grades. The Company supplies various grades of Nitric Acid including dilute nitric acid (DNA), concentrated nitric acid (CNA), strong nitric acid (SNA), and solar grade nitric acid, complying with various national and international standards. The Company also imports Nitric Acid based on customer

commitments and market scenarios, converting to required grades and in order to support the downstream.

Going ahead, the domestic market is expected to witness robust double-digit demand growth, led by strong growth in major downstream industries like nitroaromatics and chemical intermediates. New capex commitments from the downstream industry augurs well to a bright future for Nitric Acid in India. To meet this rising demand-supply gap, Company has undertaken expansion project of WNA and CNA capacity at Dahej.

### Specialty Chemicals

As a part of its strategic transformation journey, the Company has increased its focus on offering customised specialty solutions to strengthen the bonds and foster long-term relationship with customers. DFPC is continually developing solutions across various industry sectors.

DFPC commercially launched PICKBRITE, an innovative and

eco-friendly Stainless Steel (SS) pickling solution which effectively answers the ESG challenges currently faced by the stainless-steel industry. It reduces Hydrofluoric acid consumption by 50-60%, offering a cleaner option, promoting health and safety in the workplace. Additionally, it decreases the toxic waste generation, water usage, energy consumption, and the need for sludge handling and disposal, while scoring highly on EHS fronts to meet customers' goals.

Electronic Grade IPA witnessed good traction with approvals from various institutions, including government and private entities.

Cororid has established itself as a premier brand in the hospital disinfection segment in the South and Western parts of the country. The brand will be adopting a two-pronged strategy for business growth, expanding its footprint beyond Tier I cities of the currently existing markets and capturing new untapped markets.

The Company participated in the Global Stainless Steel Expo (GSSE 2023) in September 2023 to present

its innovative customer-oriented solution to the whole Stainless Steel pickling community, which led to further initiation of technical trials at customers' places.

**Nitric Acid Brownfield Expansion**

We have announced the expansion of Nitric Acid plant at Dahej, Gujarat, driven on the growing needs of both the merchant market and the downstream industries. The strategic expansion of WNA (300 KTPA) and CNA (150 KTPA) will be at a project cost of ₹ 1,950 crore Leveraging its 40 years of credible experience in Nitric Acid, DFPCL will become 'Asia's Largest Manufacturer' of Nitric Acid post expansion. The plant will have state-of-the-art technology from leading global technology provider, combined with low emission green technologies for the first time in India. About 65% of additional CNA capacity is already tied-up under a 20-year contract. The EPCM contract has been awarded to M/s Tata Projects Limited and the basic engineering is completed. All licensor equipment's and critical long lead items have been ordered. The construction work is expected to commence at site from the first half of FY25. The Commercial

Operations Date (COD) is targeted in second half of FY26.

**Liquid Carbon Dioxide and Methanol**

DFPCL is a leading provider of Liquid Carbon Dioxide (LCO<sub>2</sub>), with a capacity of 72,000 MTPA at its Taloja facility. Certified for food-grade quality, LCO<sub>2</sub> serves diverse applications, including the production of dry ice, beverage carbonation, and as a shielding gas in the welding processes within the engineering sector. By converting CO<sub>2</sub> into useful products, DFPCL plays a pivotal role in reducing greenhouse gas emissions, aligning with environmental sustainability efforts.

The Company has an installed capability of 100 KMT of methanol annually. However, due to adverse market conditions and economic factors, there was no methanol production in FY24. Looking ahead, the potential applications of methanol in products like dimethyl ether and M15 fuel blends are expected to spur demand. DFPCL remains prepared to resume methanol production once market conditions improve.

Improves the surface quality of stainless steel

Overall pickling process cost reduces by 10-30%

**PICKBRITE™**  
Sustainable Solution for Stainless Steel Industry

Environment-friendly - reduces waste generation

50-60% reduction in HF and 30%-40% reduction in hydrated lime consumption

Prolongs bath life

Pickbrite : A Sustainable Solution for Stainless Steel Industry



## Mining Chemicals

With the demerger of its mining chemicals business into Deepak Mining Solutions Ltd., the Company is poised to transition from being a supplier of TAN products to the provider of holistic mining solutions.

The Company enjoys ~40% market share in the domestic TAN market. To meet the growing demand for TAN in India, the Company has enhanced its licensed production capacity to 0.63 MMTPA through brownfield expansion. It produces High Density Ammonium Nitrate (HDAN), Low Density Ammonium Nitrate (LDAN), Ammonium Nitrate Melt (AN Melt) and Medical Grade AN. It is the sole producer of explosives grade LDAN in India. It also manufactures Medical Grade Ammonium Nitrate, which finds application in the production of medical grade nitrous oxide used as an aesthetic/analgesic.

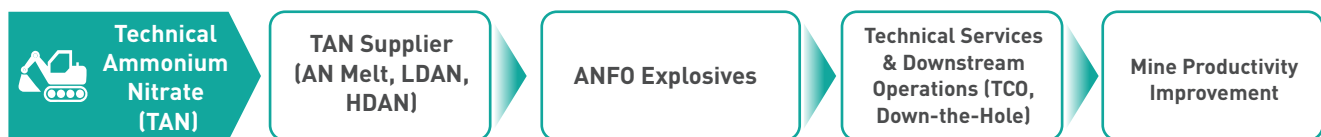
During FY24, the country became an easy market for lower-price FGAN

due to sanctions imposed on Russia by Western economies, which led to adverse price fluctuations in TAN prices and put margins under pressure. The Company remains committed to maintaining competitive pricing while delivering value to its customers and end-consumers. With the lifting of export ban by the GoI, the business has resumed export of TAN with effect from March 2024.

The business has established and demonstrated holistic mining solutions capability in the form of Total Cost of Ownership (TCO) projects across mining & infrastructure end-users in India. The capability will deliver value to end-users through improvement in mine & quarry productivity has been established across the mining value chain of drilling -> blasting -> load & haul -> crushing. The value delivery to mines and quarries is enabled through the use of superior TAN products converted into differentiated explosives, coupled with advanced technical services capabilities and last-mile execution excellence.

To deliver increased value to end-users, the TAN business continues to make significant investments in hardware, like BMDs (Bulk-Mix-Delivery) trucks for delivering ANFO explosives down-the-hole on mine bench at mine sites, forward integration into commercial explosives, advanced software technology like drones and AI-based blast modelling, sensors to accurately measure key productivity parameters and capability development of the value delivery team. As a next step, the Company has secured outcome-based contracts with end-users, leveraging these capabilities to guarantee specific and measurable value to its end-users.

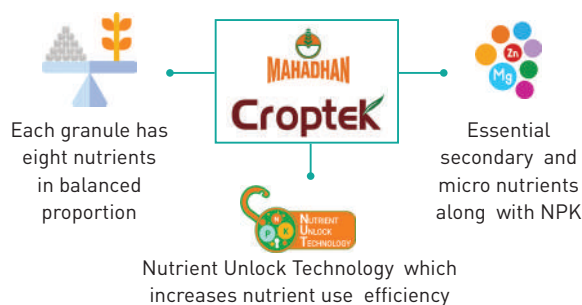
Deepak Mining Solutions Limited, is poised to establish a fully integrated, unique value chain for mining and infra sectors in India. This will enable the Company to deliver value to mines, quarries and infrastructure projects in the form of improvement in their TCO.



Panaromic view of the Technical Ammonium Nitrate Plant at plot K-8, Talaja



Secure Storage for Technical Ammonium Nitrate: Ensuring Safety and Compliance



Being the leading player in the Indian market, the Company maintains strict compliance with the prescribed AN Rules. The TAN segment has deployed an advanced version of Global Positioning Tracking System (GPS) across its manufacturing and distribution network to track and trace product movement on an ongoing basis. Any deviations are promptly alerted by the system and corrective actions are taken in a timely manner.

The Company is working on a Greenfield TAN project in Gopalpur, Odisha with a production capacity of 376 KTPA. Upon completion, it will increase its overall installed capacity to ~1.0 MTPA, capable to meet ~60% of India's demand for AN, contributing to Atmanirbhar Bharat Abhiyan.

### Performance Chemiserve Limited (PCL)

The greenfield Ammonia plant, set up through the step-down subsidiary Performance Chemiserve Limited (PCL), began trial production on July 10, 2023, with all pre-commissioning activities completed.

The Ammonia plant began commercial production on August 4, 2024 and the production has now been stabilised. The successful backward integration into Ammonia will provide a long-term risk mitigation for all the three businesses of the Group. Besides, it will significantly reduce dependency on imported ammonia, which will enhance our operational efficiencies and eliminate global price volatility impacts.

The Company has entered into a 15-year long-term gas supply agreement with Equinor from Norway, commencing in May 2026. This move will ensure continuous supply of Natural Gas and is expected to improve margins through effective natural gas/LNG hedging and in-house ammonia production, ensuring greater stability.

### Gopalpur TAN Project

The Company is working on a Greenfield TAN project in Gopalpur, Odisha with a production capacity of 376 KTPA. Upon completion, it will increase its overall installed capacity to ~1.0 MTPA, capable to meet ~60% of India's demand for AN, contributing to Atmanirbhar

Bharat Abhiyan. The project is strategically located close to major mining hubs to be able to cater to their demand, while its proximity to Gopalpur Port provides excellent export opportunities.

The project falls under the prestigious thrust sector category, as per IPR-22 of the Government of Odisha and will be entitled to the State incentives, further solidifying its potential for success. It is expected to be commissioned by second half of FY26, with its engineering work having been completed and construction work progressing well.

### Crop Nutrition Business (CNB)

As a result of ongoing scheme of arrangement, the Crop Nutrition Business (CNB) will be a standalone company under Mahadhan AgriTech Limited (MAL), as a 100% subsidiary of DFPCL. CNB product portfolio comprises 48 products, including enhanced efficiency NPK fertilisers (Smartek), crop-specific balance nutrient fertilisers (CropTek), crop and stage-specific water-soluble fertiliser (SoluteK), bentonite sulphur (Bensulf Super-Fast), and other specialty fertilisers under the flagship brand 'Mahadhan'.

Its evolution from a commodity-centric to a specialised player underscores its focus on tailored crop-specific nutrient solutions, positioning itself uniquely in the market. It boasts India's exclusive production of crop-specific NPK fertilisers accompanied by secondary





*A satisfied farmer couple with thriving sugarcane field due to use of 'Croptek'*

and micronutrients, supplemented with Nutrient Unlock Technology (NUT). Strong R&D team with 14 PhDs and agriculture doctorates works diligently to innovate unique solutions.

The R & D team executed over 1,000 field experiments across different geographies on new crop nutrition products.

The Company enjoys market leadership in bentonite sulphur and water-soluble fertilisers in India. The business has strong presence in Maharashtra, Gujarat, Karnataka and is expanding in southern and select northern states.

Mahadhan Croptek meets the balanced nutrition requirements of focus field crops like onion, maize, cotton, sugarcane, and potato, significantly increasing yields and produce quality. New grade for soybean was launched in March 2024.

Mahadhan Solutek offers 100% water-soluble and highly-efficient nutrient availability for horticultural crops like grapes, pomegranates, tomatoes, and bananas, tailored for different growth stages.

The Company fosters farmer connections through a combination of field engagement, digital outreach, and mass media channels, including TV and

print. Its extensive distribution network includes over 600 field team members spread across 12 operating states in India. Direct farmer engagement initiatives include crop seminars, on-field demonstrations, and training to reach millions of farmers.

Leveraging social platforms like Facebook, WhatsApp, YouTube, Website, and Instagram, the company connects with farmers through its 6 zonal offices, 27 area offices, 4,000 direct dealers, and over 20,000 retailers. A core team of over 300 members, including sales, marketing, research, new product development, and supply chain professionals, is supported by over 350 market development officers and 100+ junior agronomists for daily interaction with farmers and gathers their feedback on the efficacy of crop-specific nutrition solutions.

Mahadhan operates an NABL-accredited soil testing laboratory capable of testing 15,000 soil/petiole/water samples annually. The Company boasts an applied research, training, and innovation centre in Baramati, Maharashtra, and an in-house field research farm near its Pune corporate office.

The Company has implemented "Mahadhan Saarthie Project" which encompasses of solid strength of progressive farmers in focussed geographies. The Mahadhan Saarthie network, comprising 25,000 influencer farmers, helps fellow farmers gain access to crop nutrition solutions. The Company also launched the 'Saarthie Laabh' Loyalty module in the Mahadhan App for Saarthie farmers.

The Company conducted over 10,000 product demonstrations in FY24, engaging with about 6,00,000 farmers through various market development activities to showcase product performance and enhance crop productivity. These initiatives emphasised on 'seeing is believing' approach to demonstrate the efficacy of enhanced efficiency fertilisers.

#### VALUE ADDED REAL ESTATE

DFPCL's Value Added Real Estate (VARE) business primarily focusses on the Company's lifestyle retail centre, 'Creativity', situated in Pune, Maharashtra. Creativity hosts around 100 brands in the furniture and home décor categories. It also features restaurants, banquets, and entertainment options including a trampoline park and go-karting track,

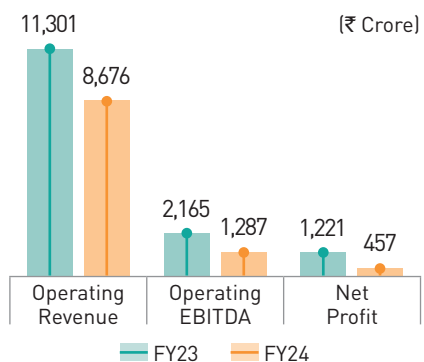
along with commercial and co-working spaces on the higher floors.

The Company initiated a transformation in the VARE segment, aiming to evolve from a pure space enabler to a comprehensive solutions provider. The launch of "Creativity Branded Interiors" in FY24 signifies a new initiative to establish itself as a single source of interior solutions. Leveraging its competitive advantages, including diverse selection, physical destination, digital experience, and specialised services, the Company aims to strengthen its core offerings in furniture and interiors. During the year, over ten reputed national and international brands were onboarded, reinforcing the segment's journey to establish itself among the finest multi-branded home interior destinations in the region.

## FINANCIAL REVIEW

The Company demonstrated resilience amidst several challenges like below normal monsoon, short-term aberration in the import of fertiliser-grade ammonium nitrate from Russia and import of nitroaromatics from China.

In FY24, operating revenue decreased by 23.2% to ₹ 8,676 crore from ₹ 11,301 crore in FY23. The Chemical Business (including Industrial Chemicals and Mining Chemicals) contributed 55% to total revenue and the Fertilisers Business contributed 44%.



Operating EBITDA declined from 19.2% to 14.8% with 433 bps margin contraction led by one-time subsidy impact of ₹ 267 crore and of ₹ 87 crore on account of ramping up impact of ammonia plant. Without the exceptional items, the operating EBITDA margin would be 18.3%. Chemicals segment posted sustainable margin of 26%. Margin of the Fertiliser Business were impacted on account of one-time subsidy and weak monsoon.

Net Profit declined by 62.5% YoY. Net profit margin contracted 553 bps to 5.27%.

The Company's net debt increased to ₹ 3,426 crore as on March 31, 2024 due to long-term project debt and working capital needs. Total Debt / Equity ratio was sustained at 0.75x in FY24 as compared to 0.71x in FY23.

ICRA Credit Rating of Long-Term loans was AA- (stable) and that of Short-Term loans was A1+.

Consolidated Performance	FY24	FY23
Operating total revenue (₹ crore)	8,676	11,301
Operating EBITDA (₹ crore)	1,287	2,165
PBT (₹ crore)	672	1,816
PAT (₹ crore)	457	1,221
Earnings per share (₹)	35.05	97.7

Parameters (Consolidated)	FY24	FY23
Debtor turnover (x)	5.48	9.78
Inventory turnover (x)	7.08	9.81
Interest coverage ratio (x)	2.66	10.32
Current ratio (x)	1.36	1.56
D/E ratio (total debt equity ratio) (x)	0.75	0.71
Operating margin (%)	14.83	19.16
Net margin (%)	5.27	10.80
Return on networth (%)	8.73	27.28

Segment Performance	FY24	FY23
Chemical revenue (₹ crore)	4,792	6,411
Fertiliser revenue (₹ crore)	3,861	4,868

## Revenue mix for key products

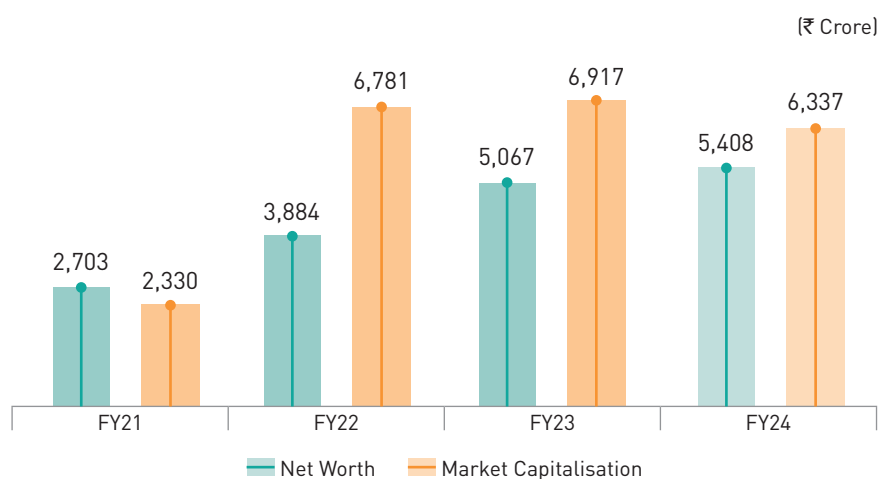
Products	FY24 (% share)	FY23 (% share)
TAN (incl. PBS)	31.24	37.79
ANP, NPK, Bensulf, WSF	31.93	34.39
Nitric acid	10.98	13.29
IPA and Propane	9.13	4.64
Outsourced bulk fertilisers	3.64	4.41
Outsourced agro specialty	9.42	4.37
Bulk chemical trading	0.65	0.73
Others	3.01	0.38
<b>Total</b>	<b>100</b>	<b>100</b>



We have entered into a 15-year long-term gas supply agreement with Equinor, commencing in May 2026. This move will ensure continuous supplies of Natural Gas and is expected to improve margins through effective natural gas/LNG hedging and in-house ammonia production, ensuring greater stability.

### Sales Volume in MT

Key Products	FY24	FY23
Technical Ammonium Nitrate	5,04,642	5,01,575
NPK Fertiliser (CNS included)	3,62,842	3,76,056
Nitro Phosphate Fertiliser	2,09,434	1,92,559
Concentrated Nitric Acid	1,59,352	1,67,181
Dilute Nitric Acid	86,362	83,478
Liquid Carbon Dioxide	46,706	57,512
Iso Propyl Alcohol	63,475	49,391
Bentonite Sulphur	26,490	33,354
Strong Nitric Acid (SNA)	30,517	26,451
Propane	9,657	8,826



### BUSINESS OUTLOOK

**Industrial Chemicals:** The demand outlook is stable to strong across major consumer segments including pharmaceuticals, agrochemicals, food, specialty chemicals, and chemicals intermediates, among others. This is well reflected in investments done by the customers in expanding capacities, entering newer markets and launching newer products. A strong outlook was one of the key drivers for the Company to announce its world-scale Nitric Acid plant with the latest technology at Dahej during FY24. Once commissioned, this will

make DFPCL Asia's largest nitric acid producer.

Margins are expected to be stable and improve gradually with robust demand prospects and stability in key raw material pricing. Additionally, several actions undertaken to grow the specialty chemical portfolio will enable the Company to launch new products in the coming year and grow the market share of the products launched already.

**Mining Chemicals:** Segment recorded healthy growth in FY24 and the trend is expected to continue in FY25. The increasing demand for power is expected to drive coal mining demand.

Additionally, demand for cement, steel and rock aggregates is expected to improve, driven by the Government's spending on infrastructure projects. This will result in increased commercial explosives demand in the mining and infrastructure segments, which will have a positive effect on the demand for all TAN products and create a positive thrust for the specialty (mining solutions) business.

**CNB:** With the recently announced Retail Price Reasonability Guidelines for margins on fertiliser sales, it is expected that the basic tenets of the NBS scheme of free/reasonable MRPs will be restored. This will also provide the needed impetus to promote innovative and value-added products such as Croptek, Solutek, and other specialty fertilisers. The value proposition of the Company's specialty Croptek products is finding increasing acceptance by farmers. As per IMD's prediction, above-average rainfall in FY25 in India, influenced by La Niña, is expected to result in a favourable season in the coming years. Furthermore, reduction in the prices of key raw materials like ammonia, phosphoric acid and MOP will aid in margin protection. Focus areas for FY25 include implementing focussed crop campaigns to drive sales and farmer engagement, optimising manufacturing facilities at Taloja for seamless production, and ensuring adequate inventories of specialty fertilisers through various means to achieve targeted sales.

**VARE:** The overall occupancy stood was 80% in FY24, which the Company aims to increase to 90% by FY25. It is also targeting a 25% growth in centre sales through projected footfalls of 0.5 million. The Company is working on providing dedicated attention across its three customer segments, business to architects (B2A), business to builders (B2B) and business to consumers (B2C), with a 'house of brands' approach.

## MANUFACTURING

In FY24, DFPCL continued its unwavering commitment to operational excellence and sustainable growth. Building upon its previous successes, DFPCL achieved significant milestones in manufacturing, including plant utilisation and efficiencies. Its most notable achievement was the successful commissioning of the new Ammonia plant through its step-down subsidiary Performance Chemiserve Ltd. at Taloja, with a capacity of 1,500 MTPD. The new capacity not only helps to optimise the value chain but it also reduces its dependence on imports and contributes to India's self-reliance, especially in a volatile geopolitical scenario. As part of its manufacturing strategy, the Company is actively exploring opportunities for backward and forward integration, spanning from raw materials to value-added products.

## EHS & SUSTAINABILITY

EHS and Sustainability are of prime importance to the Company, and it is continuously striving for excellence in this area. In line with its sustainability objectives, DFPCL has embedded environmental responsibility at the core of its manufacturing operations. It is making strategic investments and adopting innovative practices to enable it to reduce its environmental footprint and surpass regulatory thresholds. Since making its first Business Responsibility and Sustainability Reporting (BRSR) in the previous fiscal year, the Company has set new targets to further improve its sustainability performance. It is working on maximising its efficiencies, optimising energy consumption, minimising waste generation through its "reduce, reuse and recycle" philosophy, with a strong focus on emission control and effluent treatment, as per prescribed norms.

Its proactive and capital-intensive steps such as the installation of N<sub>2</sub>O abatement systems in the Nitric Acid plants, and nutrient recovery

through RO-MEE, underscore its dedication to environmental stewardship. The new Ammonia plant has significantly reduced the logistic requirement from port to plant, thereby improving logistical safety and tailpipe emissions. Furthermore, it is significantly increasing its share of renewables beyond the existing 15 MW of wind and solar installations. Looking ahead, it is exploring green technologies, including green hydrogen, to decarbonise industrial processes to further mitigate its environmental impact.

The Company is striving to instil a culture of safety and sustainability by conducting regular training and awareness programmes, and periodic audits to review process safety, energy usage and losses, and compliance. It is committed to further enhancing EHS & Sustainability initiatives, including the use of technologies, like IoT, to improve environmental monitoring. Aligning with the UN Sustainable Development Goals, the Company is working to implement energy-efficient technologies, renewable energy, water conservation and waste reduction initiatives. As a part of Extended Producer Responsibility (EPR), it has committed to responsible plastic waste management.

## SALES & OPERATION PLANNING (S&OP)

As a transformation drive, the Company implemented state-of-the-art Sales & Operation Planning Solution under Project Galaxy 1.0 in FY22 to improve the Planning process by integrating the key elements of Demand, Manufacturing, Procurement and Despatches.

The transformation continued in FY24, under Project Galaxy 2.0 to further enhance the cloud-based platform for unified planning. This project integrates the value chain from demand aggregation to delivery to customers, emphasising service quality. With embedded constraints management principles, it optimises resource availability for best demand fulfilment and maximum asset utilisation. It improved planning efficiencies and leveraged cross-functional synergies to achieve planned targets. The journey has brought the Company closer to its vision of providing differentiated experiences across all aspects of customer interactions, which will enable it to serve best-in-class capabilities like "Available to Promise". It has helped the Company become more agile in planning, enhance anticipation of customer needs, and provide better visibility to its internal and external stakeholders.



Effluent Treatment Plant at plot K1, Taloja



DFPCL's proactive approach in securing key raw materials at competitive industry standards, while ensuring uninterrupted supply to its customer base, showcases its adaptability and agility in navigating the complexities of the current global market.

### SMART FACTORY & DIGITAL TRANSFORMATION

The Company is in the process of embracing information technology to drive operational efficiency and enhance supply chain management. Smart factory solutions, including data analysis for AI/ML-based predictive maintenance and process control are being implemented to increase the reliability and efficiency of its plants. By prioritising online monitoring and analysis of process, quality, and environmental parameters, it is enabling real-time insights and proactive decision-making.

The Company is enhancing employee productivity and ergonomics by digitalising and automating routine and tedious processes and jobs. Its digitalisation efforts extend including security and surveillance, commercial processes including procurement to pay and supply chain. It is also prioritising the use of customer relationship management (CRM) systems to deliver value and personalised experiences and to strengthen its partnerships with customers.

Looking ahead to FY25, DFPCL remains steadfast in its commitment to drive operational excellence, sustainability, and digital transformation. Its ongoing initiatives and strategic investments reflect its dedication to driving innovation, enhancing planning & operational efficiency, and delivering value to all its stakeholders while advancing towards a greener and more sustainable future.

### RAW MATERIAL

DFPCL is taking proactive and strategic steps to address the challenges posed by the global supply chain disruptions. By diversifying suppliers and forging sustainable, long-term agreements, the Company is mitigating risks associated with geopolitical tensions and trade restrictions.

The establishment of an operational Ammonia Plant with a long-term natural gas supply agreement demonstrates foresight in securing a crucial input for production. Additionally, strategic alliances for securing sustainable supplies of phosphoric acid from various regions further strengthen the Company's resilience against supply chain disruptions.

The Company is exploring green solutions for the Gopalpur TAN project, which not only aligns with its environmental objectives but also enhances its reputation as a responsible corporate entity.

DFPCL's proactive approach in securing key raw materials at competitive industry standards, while ensuring uninterrupted supply to its customer base, showcases its adaptability and agility in navigating the complexities of the current global market.

### RISK MANAGEMENT

The Company's well-established ERM (Enterprise Risk Management) framework comprising a comprehensive Risk Management

Policy is adept at tackling changes in the regulatory environment, development in technology and disruptions in the financial markets. The Company's robust model absorbs market volatility.

The Risk Management Policy and framework is reviewed by the Risk Management Committee periodically to ensure its robustness and effectiveness to deal with unforeseen risks. Business-level committee comprising key business and functional heads periodically reviews the effectiveness of existing controls and implementation of risk mitigation plans for the key risks and/or new risks, emerging, if any, associated with its businesses.

The Company's strong governance structure has facilitated the ERM process to integrate seamlessly with the strategic business planning activities. Identification and evaluation of underlying critical assumptions for key internal and external risks, associated with different business vertical strategies is carried out periodically.

A detailed review of the risk management practices has been carried out by the Risk Management Committee. It also evaluates the implementation status as reported by the Internal Committee. Quantitative, semi-quantitative and qualitative assessment of the entity-level key risks enable timely action for risk mitigation. The Risk Management Committee apprises the Board of the effectiveness of the Risk Management Framework. Any new entity level risks identified, along with the appropriate risk response mechanism are brought to the notice of the Board.

## STRENGTHS, OPPORTUNITIES, THREATS, RISKS AND CONCERNS

### Strengths:

- Experienced Management Team:** The Company benefits from a seasoned management team with profound industry knowledge and experience.
- Robust Fundamentals:** The Company stands on a robust foundation of extensive manufacturing expertise and financial prudence.
- Trusted Brand:** The Company enjoys a well-established and trusted brand reputation among its diverse customer base, instilling confidence across business segments.
- Extensive Dealer Network and Customer Loyalty:** The Company possesses a robust dealer network and a loyal customer base spanning various market segment.
- Diversified Product Portfolio:** With a diverse product portfolio, the Company caters to consumers across multiple sectors, enhancing its market resilience.
- Integrated Plant Operations and World-class Technologies:** The Company operates integrated plants equipped with world-class technologies, ensuring efficiency and quality throughout its processes. It leverages advanced IT tools to enhance operational effectiveness.
- Alignment with India's Growth Story:** The Company's key business verticles are beautifully aligned with the key sectors of the Indian economy such as Agriculture, Mining, Infra and Chemicals & Pharmaceuticals.

- Location and Supply Chain Advantage:** The Company benefits from strategic proximity to key customers and a well-established supply chain logistics junction, optimising its operational efficiency.
- Forward and Backward Integration:** The Company's forward integration into explosive business and backward integration to produce Ammonia strengthens its overall business sustainability.

### Opportunities:

- Growth in the Indian Economy:** The Company stands to benefit from the significant opportunities presented by the growth of the Indian economy, particularly in sectors critical to the country's development like infrastructure, steel, cement, power, pharma and agriculture. The Government's initiatives such as Aatmanirbhar Bharat further bolster domestic industries, aligning seamlessly with the Company's objectives.
- Shift to Value-added Products:** The transition from commodities to value-added and differentiated products and services offers the Company avenues for growth and innovation.
- Digital Transformation:** Embracing digital platforms, including social media and mobile applications, facilitates enhanced connectivity with end consumers, enabling the Company to stay abreast of evolving market dynamics and consumer preferences.
- Growth in Micro Irrigation and Nutrient-based Fertilisers:** Increasing adoption of micro irrigation and demand for nutrient-based fertilisers presents growth opportunities for the CNB segment.

### Threats:

- Trade Tensions and Geopolitical Issues:** Trade tensions, led by the Red Sea crisis and geopolitical uncertainties pose risks to the Company's supply chain. This has been partially offset by moving into backward integration manufacturing of Ammonia.
- Regulatory Interventions:** Abrupt regulatory interventions or policy changes could adversely affect DFPCL's business.
- Volatility in Raw Material Prices:** Fluctuations in prices of key raw materials like natural gas, ammonia, phosphoric acid, propylene, and natural gas impact profitability.
- Delay in Regulatory Clearances:** Delay in regulatory clearances/ approvals for new ongoing projects can impact the Company's capital expenditure outlays.

### Risks and Concerns:

- Dependence on Imported Raw Materials:** The reliance on imported raw materials like phosphoric acid, potash, and ammonium sulphate exposes the Company to supply chain vulnerabilities and currency risks.
- Working Capital Intensity:** The working capital-intensive nature of this business, coupled with dependence on government subsidies, poses liquidity and financial risks.
- Price Pass-through Lag:** Any delay in passing increased raw material prices to end customers can impact the Company's margins and profitability.
- Price Gap Challenges:** Disparities between natural gas and imported ammonia prices pose challenges to the Company's cost competitiveness and margins.



**Enhancing Employee Experience:** In line with the “WE LISTEN, WE CARE AND WE DO NOT GIVE UP TILL WE DELIVER” ethos, the Company launched the “WE LISTEN” campaign. Leaders periodically engaged with employees at all levels to address urgent issues and develop practical solutions.



## HUMAN RESOURCES

The Company continued to strengthen investments in people, processes and systems and the key focus areas include:

### Capability Development:

The Company has a structured competency framework to enhance employee capabilities essential for its business transformation. Significant investments have been made in developing functional and behavioural skills through this role-based framework. Additionally, in-house capabilities have been established to provide structured soft skills training across the organisation.

**Succession Planning:** The Company leveraged this approach to create career opportunities for internal talent and protect against attrition. The Company continues to enhance its talent pipeline with in-house resource development and robust succession planning for leadership roles. Additionally, efforts were made to provide career and role rotations across different levels.

**Enhancing Employee Experience:** In line with the “WE LISTEN, WE CARE AND WE DO NOT GIVE UP TILL WE DELIVER” ethos, the Company launched the “WE LISTEN” campaign. Leaders periodically engaged with employees at all levels to address urgent issues and develop practical solutions. This intervention helped enhance responsiveness and foster an inclusive workplace while focussing on improving employee experience and engagement.

**Managing Cost Productively:** The organisation implemented various interventions such as redesign, role rotation and career move alongside innovation in administrative cost management and technology deployment. These measures were aimed at maintaining and enhancing

productivity and managing people costs.

### Resource Management and Retention:

DFPCL is committed to enhancing employee engagement and ramping up resources to support business expansion and manage employee retention effectively. The Company increased hiring to support the commissioning and operation of the new ammonia plant while strategically managing the resourcing across the organisation to ensure seamless operations and delivery.

**Strengthening Culture:** The Company introduced the ‘ANHAAD (limitless)’ initiative to enhance leadership performance by promoting a coaching over mentoring approach, aiding in effective business plan execution. The successful integration of a 360-feedback programme also helped foster a culture that values listening, caring and performing.

In FY25, DFPCL aims to expand on these initiatives to enhance business performance and drive growth with a competent and engaged workforce.

## INFORMATION TECHNOLOGY & AUTOMATION

The Company has developed a robust digital infrastructure, enabling the next level of digitalisation with a unified data source for business decision-making. Transformational initiatives are ongoing, including the implementation of a Salesforce CRM system aimed at enhancing customer service and internal processes, which is expected to go live soon.

A major focus has been on optimising the supply chain, improving decision-making agility, and increasing visibility throughout the system. This includes advanced planning and scenario analysis tools that improve productivity and



Main Control Room at Ammonia Plant, Talaja

customer satisfaction by enhancing sales team capabilities and production planning accuracy.

The Company's Industry 4.0 journey includes a three-year roadmap aiming to digitise four plants using digital solutions to boost process efficiency and resource management. Additionally, a data lake house is being established to utilise AI and machine learning for deeper business insights.

Cybersecurity is being strengthened with the adoption of forensic tools to improve process integrity in response to evolving threats.

### INTERNAL CONTROL SYSTEMS

DFPCL has laid down a well-defined scope of internal controls and audit process. Significant emphasis is given to ensure that the key management

personnel adhere to the best practices. The Company has adequate internal controls commensurate with the nature of the Company's business and size of its operations, to effectively provide for the safety of the assets, reliability of financial transactions with adequate checks and balances, compliance with prevalent statutes, regulations, management authorisation, policies & procedures, and to ensure optimum use of the available resources.

The Audit Committee of the Board is responsible for establishing, maintaining and reviewing the Company's system of internal controls and directing the Internal Audit function. The Audit Committee approves the overall internal audit plan, including risk assessment, scope, methodology and frequency of audits.

The Company's Industry 4.0 journey includes a three-year roadmap aiming to digitise four plants using digital solutions to boost process efficiency and resource management.



**AUTOMATION**



**TECHNOLOGY**



The Company has appointed Ernst & Young LLP, India to execute internal audit reviews as per the approved Internal Audit Plan. Further, the Audit Committee periodically reviews significant audit observations along with recommendations, implementation status, adequacy of internal controls and keeps the Board informed of its observations, if any, from time to time. The internal audit department follows up to ensure corrective measures are implemented in the respective business functions as per the report generated post the audit, to strengthen the overall framework. The objective of the internal control framework is to align strategic goals with operations.

The Company has a budgetary control system to monitor revenue and expenditure against the approved budget on an ongoing basis. Further, the Company has SAP S/4 HANA system to help improve operational efficiencies and business decision-making capabilities across financial reporting, organisational structure and various business processes which are reviewed and validated by external experts. The Company has also adopted Internal Financial Control framework in line with section 134(5)(e) of the Companies Act, 2013 to authenticate implementation of the Company policies across businesses, protect intellectual property, prevent, and detect frauds and errors and ensure transparency of accounting records. Based on its evaluation (as defined in section 177 of the Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), the Audit Committee has concluded that, as of March 31, 2024, DFPCL's internal financial controls were adequate and operating effectively.

### CAUTIONARY STATEMENT

The document contains statements about expected future events, financial and operating results of the Company, 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 a number of 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's discussion and analysis of Company's Annual Report, FY24.



Weak Nitric Acid Plant at Dahej

# Notice

## DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Registered Office: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036

CIN: L24121MH1979PLC021360 | Website: www.dfpc.com | Tel.: +91 20 6645 8000 | email : investorgrievance@dfpc.com

**NOTICE** is hereby given that the **Forty-Fourth Annual General Meeting of DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED** will be held on **Tuesday, 10th September, 2024 at 11.00 a.m. IST**, through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

### • ORDINARY BUSINESS

- To consider and adopt: (a) the audited financial statements of the Company for the financial year ended 31st March, 2024 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2024 and the report of Auditors thereon and in this regard, if thought fit, to pass the following resolutions as **ORDINARY RESOLUTIONS**:

- "**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
- "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2024 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

- To declare a dividend on equity shares for the financial year ended 31st March, 2024 and pass the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** a dividend at the rate of ₹ 8.50/- (Eight Rupees Fifty Paise) per equity share of ₹ 10/- (Rupees Ten) each fully paid-up of the Company be and is hereby declared for the financial year ended 31st March, 2024 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended 31st March, 2024."

- To appoint Mr. Madhumilan Parshuram Shinde (DIN: 06533004), who retires by rotation as a Director and in this regard to consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Mr. Madhumilan Parshuram Shinde (DIN: 06533004), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

### • SPECIAL BUSINESS

- To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any {including any statutory modification(s) or re-enactment thereof for the time being in force}, and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration payable to M/s Harshad S. Deshpande & Associates, Cost Accountants (Registration No. 00378) appointed as the Cost Auditors of the Company to conduct the Cost Audit of all applicable products for the Financial year ending 31st March, 2025, amounting to ₹ 2,25,000/- (Rupees Two Lakhs Twenty-Five Thousand only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses in connection with the said audit, be and is hereby ratified and confirmed."

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

Dated: 29<sup>th</sup> May, 2024

By Order of the  
Board of Directors

Registered Office:  
Sai Hira, Survey No. 93  
Mundhwa, Pune - 411 036

Gaurav Umakant Munoli  
Company Secretary  
ACS 24931



**NOTES:**

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated 25th September, 2023 read with circulars dated 28th December, 2022, 5th May, 2022, 13th January, 2021, 5th May, 2020, 13th April, 2020 and 8th April, 2020 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India (SEBI) vide its circular dated 7th October, 2023 read with circulars dated 5th January, 2023, 13th May, 2022, 15th January, 2021 and 12th May, 2020 (collectively referred to as 'SEBI circulars'), permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and the aforesaid MCA Circulars and SEBI Circulars, the 44th AGM of the Company is being held through VC / OAVM (hereinafter called as 'e-AGM').
2. The deemed venue for e-AGM shall be the registered office of the Company.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Statement pursuant to Section 102 of the Act forms part of this Notice. The Board of Directors at their meeting held on 29<sup>th</sup> May, 2024 have decided that the special business set out under item no. 4 being considered 'unavoidable', be transacted at the ensuing e-AGM of the Company.
5. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 10.45 a.m. to 11.15 a.m. and will be available for 1,000 members on a first-come first-served basis. This rule would however not put any restriction on the participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.
6. Institutional Investors, who are members of the Company are encouraged to attend and vote at the e-AGM of the Company.
7. Members attending the e-AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to MCA Circulars and SEBI Circulars, Notice of the e-AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories.  
  
However, physical copy of the annual Report will be sent on request. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website at [www.dfpc.com](http://www.dfpc.com), website of the Stock Exchanges i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd. at [www.nseindia.com](http://www.nseindia.com) and on the website of Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited (hereinafter referred to as 'KFin') at <https://evoting.kfintech.com>.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Act will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investorgrievance@dfpc.com](mailto:investorgrievance@dfpc.com).
10. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register update their e-mail address with:
  - a. their respective depository participant, where shares are held in electronic form; and
  - b. with KFin Technologies Limited by sending an email along with the KYC forms with supporting documents at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com), where shares are held in physical mode.

Shareholders may note that registration of email address and mobile number is mandatory while voting electronically and joining virtual meeting.

The Company has also published an advertisement in the newspaper containing details about the Annual General Meeting (AGM) i.e., the conduct of AGM through VC/OAVM, date and time of AGM, availability of notice of AGM at Company's website, manner of registering

the email ID's of those shareholders who have not registered their email ID's with Company/RTA and manner of providing mandates for dividend and other matters as may be required.

11. As per the various circulars issued by SEBI in this regard, the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024, upon furnishing the KYC details. Accordingly, shareholders are advised to update their KYC on priority.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
  - a. For shares held in electronic form: to their Depository Participants (DPs)
  - b. For shares held in physical form: to the Company/Registrar and Transfer Agents (RTA) in prescribed Form ISR-1 and other forms prescribed by SEBI.

Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://www.dfpl.com/forms>

Members may also refer to Frequently Asked Questions ("FAQs") on Company's website.

13. Since the meeting will be conducted through VC/OAVM facility without the presence of members at a common venue, the Route Map of the Common Venue is not annexed to this Notice.
14. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance by visiting URL <https://emeetings.kfintech.com/> and clicking on the tab "Post your Queries" during the period starting **from 7th September, 2024 (9.00 a.m.) upto 9th September, 2024 (5.00 p.m.)** mentioning their name, demat account no./Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the

Company to answer the same suitably depending on the availability of time at the meeting.

Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.

15. TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY:

As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), securities of listed companies can be transferred only in dematerialised form, except in case of transmission or transposition of securities. Further, SEBI vide its Circular dated 25th January, 2022, has mandated that securities shall be issued only in dematerialised mode while processing duplicate/unclaimed suspense/renewal/exchange/endorsement/sub division/consolidation/transmission/transposition service requests received from physical securities holders. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.

Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFintech to seek guidance in the demat procedure. Members may also visit website of depositories viz. National Securities Depository Limited at <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited at <https://www.cdslindia.com/Investors/open-demat.html> for further understanding the demat procedure. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website of the Company.

16. The Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, 4th September, 2024 to Tuesday, 10th September, 2024** (both days inclusive).

The dividend, as recommended by the Board, if declared at the meeting, will be paid to those members or their mandates:

- a. Whose names appear as Beneficial owners as at the end of business hours on **Tuesday, 3rd September, 2024** in the list of Beneficial Owners



to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

- b. Whose names appear as members in the Register of Members of the Company after giving effect to valid requests for transmission of shares, deletion/transposition of names etc. in physical form lodged with the Registrar & Share Transfer Agents of the Company on or before on **Tuesday, 3rd September, 2024**.
17. Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof) and Rules made thereunder the dividend remaining unclaimed / unpaid for a period of seven years from the date of transfer to the "Unpaid Dividend Account" shall be credited to the Investor Education and Protection Fund (Fund) set up by the Central Government.

Members who have so far not claimed the dividend are requested to make claim with the Company immediately. Please visit Company's website: [www.dfpcl.com](http://www.dfpcl.com) for details.

Further, in terms of Section 124(6) of the Act, in case of such members whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF Demat account.

In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to Report on General Shareholder Information which is a part of this Annual Report.

#### 18. **PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

read with SEBI Circular dated 9th December, 2020 on e-voting facility provided by listed entities, the Company is pleased to offer e-voting facility for its Shareholders, to enable them to cast their votes electronically on the resolutions set forth in this notice. For this purpose, necessary arrangements have been made with KFin to facilitate remote e-voting on the business set out in the Notice can be transacted through such voting.

The remote e-voting period begins at **9.00 a.m.** on **Saturday, 7th September, 2024** and ends at **5:00 p.m.** on **Monday, 9th September, 2024**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date of **Tuesday, 3rd September, 2024**, may cast their vote electronically through remote e-voting. The facility for voting through electronic voting system shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Annual General Meeting.

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

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

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

I. **Individual Shareholders holding securities in Demat Form:**

• **Login through Depositories**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-Voting 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, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	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 & voting during the meeting.

**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 helpdesk no.: 022 4886 7000.

## II. Non-Individual shareholders and shareholders holding securities in Physical Form:

- a. Initial Password is provided in the body of the email.
- b. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- c. Enter the login credentials i.e. User ID and Password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and Password for casting your vote.
- d. After entering the details appropriately, click on LOGIN.
- e. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. You need to login again with the new credentials.
- g. On successful login, the system will prompt you to select the EVENT i.e. Deepak Fertilisers And Petrochemicals Corporation Limited.
- h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- i. Click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- j. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

- k. Members whose e-mail IDs are not registered with the Company / Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the process given at serial no.12 or alternatively, member may send an e-mail request at the e-mail ID [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of demat holding and copy of share certificate in case of physical folio for receiving the Annual report, Notice of AGM and the e-voting instructions.
- l. In case a person (individual holding shares in physical mode / non individuals) has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting and e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then he / she may obtain the User ID and Password by accessing the link <https://evoting.kfintech.com/> and clicking "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

#### GENERAL INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTION

- i. Mr. Ashish Garg (Membership No. FCS 5181, CP No. 4423) Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the e-AGM in a fair and transparent manner.
  - ii. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter etc. authorising its representative to vote through e-voting. The said Resolution / Authority Letter etc. shall be sent to the Scrutinizer by an e-mail at [ashishgargcs@gmail.com](mailto:ashishgargcs@gmail.com) and mark copy to [investorgrievance@dfpcl.com](mailto:investorgrievance@dfpcl.com). It should reach the Scrutinizer on / before Monday, 9th September, 2024 at 5.00 p.m. They may also upload the same in the e-voting module in their login.
  - iii. The scanned image of the above-mentioned documents should be in the naming format "Deepak Fertilisers And Petrochemicals Corporation Limited – AGM.
  - iv. The voting rights shall be as per the number of equity shares held by the Member(s) as on cut-off date.
- Members are eligible to cast vote electronically only if they are holding shares as on cut-off date.
- v. Members are requested to note that pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards-2 (SS-2), brief particulars including shareholding of the Director proposed to be re-appointed is given at the end of the Notice and forms part of the Notice.
  - vi. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of <https://evoting.kfintech.com/> or contact Mr. SVRaju (Unit: Deepak Fertilisers And Petrochemicals Corporation Limited) of KFin Technologies Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana or at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFin's toll free No. 1800 309 4001 for any further clarifications.

#### VOTING AT E-AGM

- i. Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.
- ii. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.
- iii. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and e-voting at Annual General Meeting shall be treated as invalid.
- iv. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- v. Upon declaration by the Chairman about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.
- vi. Members to click on the 'Instapoll' icon to reach the resolution page and follow the instructions to vote on the resolutions.



## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE E-AGM:

- Member will be provided with a facility to attend the e-AGM through Video Conferencing platform provided by KFin, which can be accessed at <https://emeetings.kfintech.com/> by clicking "Video Conference" and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders / members' login where the EVENT and the Name of the Company can be selected.
- Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- While all efforts would be made to make the VC / OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com>
- Members who need technical assistance before or during the e-AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001.
- The Chairman shall formally propose to the shareholders/members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the e-AGM and announce the start of the casting of vote at e-AGM through the e-voting system of KFin.
- The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the report of the Scrutiniser shall be forwarded to the BSE Limited and National Stock Exchange of India Limited.

## ELECTRONIC CREDIT OF DIVIDEND

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agent for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

Further, the Shareholders holding shares in physical form may kindly note that SEBI, vide its various circulars has mandated that dividend shall be paid only through electronic mode with effect from 1st April, 2024. Hence, the Shareholders are requested to update their details with Company/KFin by submitting ISR forms available on website of the Company viz. <https://www.dfpccl.com/forms> to avoid delay in receipt of dividend.

As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account in Form ISR 1 alongwith the original cancelled cheque bearing the name of the Member to KFin / the Company to update their bank account details. Members holding shares in demat form are requested to update their bank account details with their respective Depository Participants ("DPs"). The Company or KFin cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated to enable the Company to provide timely credit of dividend in their bank accounts.

## TDS PROVISIONS AND DOCUMENTS REQUIRED FOR RESPECTIVE CATEGORY OF SHAREHOLDERS

Pursuant to the changes introduced by the Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with the Company/ KFin (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). To enable the Company to determine the appropriate TDS / withholding tax rate applicability, shareholders are requested to upload the requisite documents with the Registrar and Transfer Agent

viz. KFin Technologies Limited ("RTA"/"Kfin") by registering with First holder PAN at <https://kprism.kfintech.com/> not later than 16th August, 2024. No communication on the tax determination / deduction shall be entertained thereafter.

### Resident shareholders

For resident shareholders, generally, the tax will be deducted at source (TDS) under Section 194 of the Act at the rate of 10% on the amount of dividend declared and paid by the Company during FY 2024-25 provided valid Permanent Account Number (PAN) is provided by the shareholder. Shareholders are requested to ensure Aadhar number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative / invalid and, in such scenario too, tax shall be deducted at higher rate of 20%. If PAN is not submitted/is inoperative/is invalid, TDS would be deducted @ 20% as per Section 206AA of the Act.

### Resident individual shareholders

In the case of resident individuals, TDS would not apply if the aggregate of total dividend distributed or paid to them by the Company during FY 2024-25 does not exceed ₹ 5,000. Separately, TDS will not be deducted in cases where a shareholder provides a written declaration in prescribed Form 15H (for individual at or above the age of 60 years with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) / Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax as per the provisions of the Act), subject to eligibility conditions being met. Blank Form 15G and 15H can also be downloaded from the link given at the end of this communication or from the website of the Company viz. <https://www.dfpl.com/forms>. Needless to mention, PAN will be mandatorily required along-with such declarations. Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the form if it does not fulfil the requirement of law or the form is otherwise incomplete in any manner.

### Resident shareholders (other than individuals):

In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 194 or Section 196 or Section 197A of the Act, no tax shall be deducted at source ('nil rate') provided sufficient documentary evidence thereof, to the satisfaction of the Company, is submitted. This illustratively includes providing the following:

- **Insurance Companies:** Self declaration by public & other insurance companies that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and that it has a full beneficial interest with respect to the shares owned by it along with PAN. Self-attested copy of valid IRDAI registration certificate also needs to be submitted.
- **Mutual Funds:** Self-declaration that they are specified and covered under Section 10 (23D) of the Act along with a self-attested copy of PAN card and copy of SEBI registration certificate.
- **Alternative Investment Fund (AIF):** AIF established/ incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and SEBI registration certificate.
- **New Pension System (NPS) Trust:** Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme along with self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- **Recognized Provident Fund/ Approved Superannuation Fund/ Approved Gratuity Fund :** Self-attested copy of a valid order from Commissioner under Rule 2 of Part B or Rule 2 of Part C or Rule 3 of Part A, of Fourth Schedule to the Act, as the case may be, and/ or self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) in support of the fund being established under a scheme framed under the applicable statute needs to be submitted along with a self-attested copy of the PAN card.
- **Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income:** - Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of the Act along with a self-attested copy of the PAN card and registration certificate.
- **Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act:** - Self-declaration along with copy of the notification issued by CBDT substantiating that the conditions specified in section 10 (23FE) of the Act have been complied with and self-attested copy of the PAN card.
- **Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act:** Self-declaration substantiating the fulfilment of conditions prescribed under section 10 (23FE) of the Act along with self-attested copy of the PAN card.



- **Other Resident Non Individual Shareholders:** Shareholders who are exempted from the provisions of TDS as per Section 194 of the Act and/ or who are covered u/s 196 of the Act and/or any other provisions of the Income Tax Act, 1961 (e.g.: entities as provided in CBDT Circular No.18 of 2017), shall also not be subjected to any TDS, provided they submit an attested copy of the PAN along with the documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of it being entitled to the exemption available.

In addition to the above, above-mentioned entities should also give declaration as per the format available on the website of the Compay viz. <https://www.dfpcl.com/forms>.

The Company is not obligated to consider nil rates at the time of tax deduction / withholding on dividend amounts. Application of nil rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders.

#### **Non-Resident Shareholders or Foreign Companies ('Non-Resident Payee')**

For non-resident person or foreign company being the shareholders, ('non-resident payee'), tax is required to be withheld in accordance with the provisions of Section 195 and / or section 196D of the Act at applicable rates in force. As per the applicable provisions, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable.

Further, as per Section 90 of the Act, a non-resident payee has the option to be governed by the provisions of the tax treaty between India and the country of tax residence of the shareholder if they are more beneficial to the shareholder subject to fulfilment of prescribed conditions. In such case, the tax shall be withheld at such lower rate as prescribed in the tax treaty, on the amount of dividend payable. For this purpose, i.e., to avail the tax treaty benefits, the non-resident payee will have to provide the following:

- Self-attested copy of Permanent Account Number (PAN Card), if any allotted by the Indian Income Tax authorities;
- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for the period between April 1, 2024 to March 31, 2025. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would be provided;

- In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) tax residency certificate from the Government of that country or specified territory (f) Tax Identification Number of the residency country;
- Self-declaration in Form 10F for FY 2024-25 for Non-resident shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> for the period April 1, 2024 to March 31, 2025;
- Self-declaration by the non-resident payee of meeting tax treaty eligibility requirements including fulfillment of the Principal Purpose Test, No Permanent Establishment / fixed base in India, satisfying the beneficial ownership requirement in accordance with the applicable tax treaty; if any, under the applicable tax treaty (Format can be downloaded from the website of the Company viz. <https://www.dfpcl.com/forms>);
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, in addition to the above details, copy of SEBI registration certificate will also be required.

It is imperative that shareholders independently satisfy their eligibility to claim tax treaty benefit including meeting all conditions laid down by tax treaty. The Company is not obligated to apply the beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial tax treaty Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder. Notwithstanding anything contained in other part of this communication, where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A of the Act. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

#### **TDS TO BE DEDUCTED AT HIGHER RATE IN CASE OF NON-FILERS OF RETURN OF INCOME (Specified Person u/s. 206AB of the Act):**

The provisions of Section 206AB of the Act require the deductor to deduct tax at higher of the following rates from

amount paid/ credited to 'specified person':

- At twice the rate specified in the relevant provision of the Act; or
- At twice the rates or rates in force; or
- At the rate of 5%

The 'specified person' means a person who has:

- Not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired; and
- The aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

The non-resident who does not have the permanent establishment in India is excluded from the scope of a specified person for the purpose of section 206AB. Accordingly, if a non-resident shareholder is found to be a specified person as per reporting under section 206AB and such shareholder does not furnish a no PE declaration, higher rate shall be applied.

Notwithstanding anything contained in other part of this communication, for Shareholders who are identified as "specified persons" under Section 206AB of the Act, higher tax rate as applicable would be deducted. The Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

### LOWER WITHHOLDING CERTIFICATE (RESIDENT AS WELL AS NON-RESIDENT SHAREHOLDERS)

Notwithstanding anything contained in other part of this communication, in the case where the shareholders provide a certificate under Section 197 of the Act 1961 for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

### DIVIDEND INCOME ASSESSABLE IN THE HANDS OF PERSON OTHER THAN DEDUCTEE

If in terms of Rule 37BA of the Income Tax Rules 1962 ('the Rules'), the dividend income on which tax has to be deducted at source is assessable in the hands of a person other than the deductee, then such deductee should also file a declaration with Company in the manner prescribed in the

Rules. The format of Declaration for the same is attached as Annexure 3.

### SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

Subject to what is stated above, the rate at which taxes are to be deducted at source based on the category of shareholders, are as under:

Shareholder Category	Rate of TDS
<b>Resident Shareholders</b>	
Shareholders providing Form 15G/15H	NIL
If Dividend income= $\leq$ 5000	NIL
If Dividend income $>$ ₹ 5,000	<ul style="list-style-type: none"> <li>- <b>10%</b> in case where PAN is provided / operative valid/ linked with Aadhar</li> <li>- <b>20%</b>, in other cases where PAN is not provided / not available/inoperative/not linked with Aadhar/ non-filers of return of income u/s 206AB</li> </ul>
<b>Non-resident Shareholders</b>	
Non-resident Shareholders	<ul style="list-style-type: none"> <li>- <b>*20%</b> or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned.</li> <li>- <b>*40%</b> in case where shareholder is non-filer of return of income u/s. 206AB and not furnished No PE declaration.</li> </ul>

Kindly note that the aforementioned document should be uploaded with KFin Technologies Limited, the Registrar and Transfer Agent ("KFin") at <https://ris.kfintech.com/form15/> or emailed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) on or before 16<sup>th</sup> August, 2024 in order to enable the Company to determine appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post 16<sup>th</sup> August, 2024.

It may be further noted that in case the tax on said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible, but no claim shall lie against the Company for such taxes deducted.

The Company will arrange to send TDS certificate in Form 16A in due course, post payment of the said Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the shareholders are advised to consult their own tax consultants with respect to specific tax implications arising out of receipt of dividend.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

In this regard, the Company had also sent a communication to all the shareholders via email on 8<sup>th</sup> July, 2024.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

#### **KPRISM – Mobile service application by KFin:**

Members are requested to note that KFin has launched a mobile application – KPRISM and a website <https://kprism.kfintech.com/signin.aspx> for online service to Members.

Members can download the mobile application, register themselves (one time) for availing host of services viz., view of consolidated portfolio serviced by KFin, Dividend status, requests for change of address, change/update Bank Mandate. Through the Mobile application, Members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements.

The mobile application is available for download from Android Play Store. Members may alternatively visit the link <https://kprism.kfintech.com/app/>.

### **EXPLANATORY STATEMENT**

#### **Item No. 4**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors (Board) shall appoint an Individual who is Cost Accountant, or a firm of Cost Accountants in practice, as Cost Auditor on the recommendation of the Audit Committee, which shall also recommend remuneration for such auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified by the Members.

On the recommendation of Audit Committee, the Board at its meeting held on 29th May, 2024 considered and approved appointment of M/s Harshad S. Deshpande & Associates, Cost Accountants, for conducting Cost Audit of all applicable products at a remuneration of ₹ 2,25,000/- (Rupees Two Lakhs Twenty-Five Thousand Only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses for the Financial year ending 31st March, 2025.

The Board of Directors recommend Ordinary Resolution set out at Item No. 4 for approval by the Members of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the aforesaid resolution.

#### **Details of Directors seeking re-appointment at the Annual General Meeting**

[In pursuance of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2]:

<b>Name of the Director</b>	<b>Mr. M. P. Shinde</b>
DIN	06533004
Date of Birth	14th December, 1954
Age	69
Qualification	M.Sc, Diploma in Industrial Safety, Diploma in Ecology & Environment
Shareholding in the Company	Nil



<b>Name of the Director</b>	<b>Mr. M. P. Shinde</b>
Date of Appointment	10th February, 2017
Expertise	Environment, Health and Safety
Major Directorships	1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Mahadhan AgriTech Limited 3. Performance Chemiserve Limited 4. Deepak Mining Solutions Limited
Listed Entities from which the proposed director has resigned in the past three years	None
Relationship between the Directors inter-se	None
Audit Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - <b>Member</b> Mahadhan AgriTech Limited - <b>Member</b>
Stakeholders' Relationship Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - <b>Member</b> Mahadhan AgriTech Limited - <b>Member</b>
Risk Management Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - <b>Chairman</b> Performance Chemiserve Limited - <b>Member</b>
Manufacturing Operations Review Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - <b>Member</b>
Corporate Social Responsibility Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - <b>Member</b> Mahadhan AgriTech Limited - <b>Chairman</b>
Nomination and Remuneration Committee	Mahadhan AgriTech Limited - <b>Member</b>
Securities Issue Committee	Mahadhan AgriTech Limited - <b>Member</b>
Allotment Committee	Mahadhan AgriTech Limited - <b>Member</b>

# Board's Report

## To the Members

Your Directors have pleasure in presenting the Forty-Fourth Annual Report together with Audited Accounts of the Company for the Financial Year ended 31st March, 2024.

## FINANCIAL RESULTS

The summarized financial results for the year are as under:

(₹ in lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		2023-24	2022-23	2023-24	2022-23
1	Total Revenue (including Other Operating Revenues)	1,92,252	2,34,982	8,67,609	11,30,069
2	Profit before tax	41,343	39,014	67,196	1,81,552
3	Less:				
	a) Current Tax (Net)	9,120	8,855	34,017	55,178
	b) Deferred Tax	886	1,025	(12,544)	4,286
4	Net Profit after tax (2 - 3)	31,337	29,134	45,723	1,22,088
5	Net profit attributable to:				
	a) Owners of the Company	31,337	29,134	44,251	1,21,010
	b) Non-controlling interest	NA	NA	1,472	1,078
6	Other comprehensive income for the year:				
	a) Owners of the Company	(642)	(965)	7,915	(1,039)
	b) Non-controlling interest	NA	NA	14	(76)
7	Total Comprehensive Income for the year				
	a) Owners of the Company	30,695	28,169	52,166	1,19,971
	b) Non-controlling interest	NA	NA	1,486	1,002
8	Add: Surplus brought forward	1,66,704	1,48,423	3,72,771	2,62,953
9	Amount available for Appropriations (5a + 8)	1,98,041	1,77,557	4,17,022	3,83,963
10	Appropriations:				
	a) Increase in non-controlling interest due to issuance of share capital	-	-	-	(339)
	b) Effect of transaction with non-controlling interest	-	-	(5,687)	-
	c) Dividend on Equity Shares (Net)	(12,624)	(10,853)	(12,624)	(10,853)
11	Surplus carried to Balance Sheet (9 + 10)	1,85,417	1,66,704	3,98,711	3,72,771

## STATE OF AFFAIRS OF THE COMPANY

Your Company has achieved a total revenue of ₹ 1,923 Crores (including ₹ 83 Crores from trading operations) during the year under review as against previous year's level of ₹ 2,350 Crores (including ₹ 230 Crores from trading operations). Profit Before Tax (PBT) for the year under review was ₹ 413 Crores as against ₹ 390 Crores in the previous year.

Net Profit for the current year was recorded at ₹ 313 Crores as against ₹ 291 Crores in the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MDA), which forms part of this Report, inter alia, deals adequately with the operations and also current and future outlook of the Company on a consolidated basis.

## ISSUE OF COMPULSORILY CONVERTIBLE DEBENTURES (CCDs) BY MATERIAL SUBSIDIARY I.E., MAHADHAN AGRITECH LIMITED (FORMERLY KNOWN AS SMARTCHEM TECHNOLOGIES LIMITED)

As reported in the previous Annual Reports, Mahadhan AgriTech Limited (MAL), Wholly Owned Material Subsidiary had issued CCDs, on a private placement basis to International Finance Corporation Limited. The details of CCDs issued are as given below:

Date	Tranche	No. of FCCBs	Face value	Amount
16th October, 2019	First	1,050	10,00,000 each	105 Crores
5th October, 2020	Second	1,050	10,00,000 each	105 Crores
<b>Total</b>		<b>2,100</b>		<b>210 Crores</b>

During the year under review, the Company has purchased the aforesaid CCDs issued to IFC by MAL with mutual agreement.

### ISSUE OF EQUITY SHARES THROUGH QUALIFIED INSTITUTIONS PLACEMENT (QIP)

During the year under review, no shares were issued through qualified institutions placement.

### DIVIDEND

Considering the performance of the Company, the Board of Directors of the Company recommends a dividend @ 85% i.e., ₹ 8.50/- (Eight Rupees and Fifty Paise) per Equity Share (Previous year ₹10 per Equity Share) of ₹ 10 each of the Company for the year ended 31st March, 2024.

The proposed dividend is in line with the 'Dividend Distribution Policy' adopted by the Board at its meeting held on 30th June, 2017. The Policy is available on the Company's website: [DividendDistributionPolicyDFPCL30June2017.pdf](#).

### TRANSFER TO RESERVE

The closing balance of retained earnings of the Company for Financial Year 2023-24 after all appropriations and adjustments was ₹ 1,85,417 Lakhs. During the year, the Company has not transferred any amount to general reserve.

### SHARE CAPITAL

During the year under review, the Company has neither issued any equity shares of the Company, nor, shares with differential voting rights or sweat equity shares or any stock options.

The paid-up equity share capital of the Company as on 31st March, 2024 was ₹ 126.24 Crores.

## CHANGES IN THE BOARD OF DIRECTORS

### Re-appointment

#### Re-appointment of Independent Director

During the year under review, the Board of Directors, based on the recommendation of Nomination and Remuneration

Committee, had approved the re-appointment of Smt. Varsha Purandare as an Independent Director of the Company for the Second Term for 2 consecutive years w.e.f. 31st January, 2024, pursuant to applicable provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of shareholders.

Further, the shareholders of the Company through Postal Ballot have provided their approval for the aforesaid re-appointment. The results of Postal Ballot have been intimated to the Stock Exchanges on 26th March, 2024. All the relevant details of the Postal Ballot have been provided in the General Shareholder Information, which is part of this Annual Report.

### Cessation

The shareholders of the Company at their Annual General Meeting held on 14th August, 2019 had approved the appointment of Mr. Partha Sarathi Bhattacharyya as Independent Director of the Company for the first term of 5 consecutive years with effect from 1st April, 2019.

Subsequently, on the completion of first term of 5 consecutive years on 31st March, 2024, Mr. Bhattacharyya has ceased to be an Independent Director of the Company.

The Board places on record its sincere appreciation to the valuable guidance provided by Mr. Bhattacharyya during his tenure as Director of the Company.

### Re-appointment – retiring by rotation

Mr. M. P. Shinde retires by rotation at the ensuing Annual General Meeting pursuant to provisions of Section 152 of the Act and rules made thereunder and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

## NUMBER OF MEETINGS OF BOARD OF DIRECTORS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year under review, seven board meetings were held. These meetings were held on



17th May, 2023, 20th May, 2023, 26th July, 2023, 9th August, 2023, 2nd November, 2023, 1st February, 2024 and 27th March, 2024.

### **CHANGES IN KEY MANAGERIAL PERSONNEL (KMP)**

During the year under review, Mr. Deepak Rastogi was appointed as the Chief Financial Officer of the Company in place of Mr. Amitabh Bhargava, w.e.f. 1st August, 2023 as a part of planned rotation initiative of the Company.

### **A STATEMENT REGARDING THE OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

During the year under review, Smt. Varsha Purandare was re-appointed as an Independent Director of the Company.

The Board is of the opinion that Smt. Purandare is a person of high integrity and reputation and has the requisite expertise and experience including the proficiency.

### **COMPOSITE SCHEME OF ARRANGEMENT BETWEEN SUBSIDIARIES OF THE COMPANY**

The Board of Directors of the Company has approved Composite Scheme of Arrangement between Mahadhan AgriTech Limited (MAL) (Formerly Known as Smartchem Technologies Limited) (Demerged Company or Transferee Company), Deepak Mining Solutions Limited (DMSL) (Formerly Known as Deepak Mining Solutions Private Limited) (Resulting Company) and Mahadhan Farm Technologies Private Limited (MFTPL) (Transferor Company) and their respective shareholders in accordance with the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Act and the rules framed thereunder.

The Scheme provides for demerger of the TAN Business from Demerged Company to the Resulting Company and Amalgamation of the Transferor Company with the Demerged Company.

This will result into creating holistic business entities housed in identified corporate entities. The Company is awaiting approval of the Hon'ble National Company Law Tribunal (NCLT), Mumbai.

### **GREENFIELD AMMONIA PROJECT**

The greenfield Ammonia plant, set up through the step-down subsidiary of the Company i.e. Performance Chemiserve Limited, began commercial production on 4th August, 2024 and the production has now been stabilised. The successful backward integration into Ammonia will provide a long-term risk mitigation for all the three businesses of the group.

Besides, it will significantly reduce dependency on imported ammonia, which will enhance our operational efficiencies and eliminate global price volatility impacts. The installed production capacity of the new plant is 1500 MT per day.

### **LONG-TERM TIE UP FOR SUPPLY OF LIQUEFIED NATURAL GAS (LNG) WITH NORWEGIAN GIANT – EQUINOR**

Your Company has entered into a 15 year contract for supply of LNG with Equinor ASA, Norway. With this tie-up, the Company strengthens its value chain with an attractive long-term LNG contract to solidify its value chain from Gas to Ammonia to various downstream Fertilisers, Industrial Chemicals and Mining Chemicals. This end-to-end tie-up shall establish a strong long-term foundation for all of Company's product segments.

Equinor, erstwhile Statoil, is amongst the established leaders in the oil & gas sector over the last 50 years, with a market cap of USD 75 Billion wherein majority shares are owned by the Norwegian Government.

### **AGREEMENT WITH ISRAEL BASED HAIFA GROUP**

Mahadhan AgriTech Limited (MAL) (formerly known as Smartchem Technologies Limited), Wholly Owned Subsidiary of the Company has entered into an agreement with Israel-based Haifa Group to promote high performing Specialty fertilizers to improve quality and productivity of crops in India and other countries.

The MAL-Haifa offerings will support agricultural practices that counter the vicious trend of water scarcity and also hugely enhance Nutrient uptake & Use Efficiency in the plants. In addition, these initiatives will also help reduce groundwater and air pollution. We believe this collaboration will bring positive change in the agricultural sector, thereby empowering farmers.

### **SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES**

As disclosed in the last year's report, effective 15th May, 2014, domestic gas supply to the Company was arbitrarily stopped by the Ministry of Petroleum and Natural Gas. The Company successfully challenged the same before the Hon'ble Delhi High Court, which, by its Orders dated 7th July, 2015 and 19th October, 2015 directed the Government of India (GoI) to restore the supply of gas. Against the cited order, a review petition filed by the GoI, challenging the said Orders was rejected by the said Court. Further, the GoI also filed the Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the Order of Hon'ble Delhi High Court, which was also disposed without granting any relief to the GoI. The GoI has filed an affidavit before the Hon'ble Delhi High Court stating that Inter Ministerial Committee (IMC) has

decided to recommend supply of pooled gas to the Company, subject to approval of the Competent Authority. Gol has further filed an application in the Hon'ble Delhi High Court seeking dismissal of the matter. The Company is contesting the said application since the Competent Authority has not decided based on the recommendation of the said IMC and the application so filed is pre-mature. The Hon'ble Delhi High Court asked Gol to bring the IMC decision/ report on record, if not filed then the matter will be proceeded further without the report. The hearing in the Delhi High Court is now posted on 9th July, 2024.

### INDIAN ACCOUNTING STANDARDS, 2015

The annexed financial statements for the Financial Year 2023-24 and corresponding figures for 2022-23 comply in all material aspects with Indian Accounting Standards notified under section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

### CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries, and prepared in compliance with the Act, applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of this Annual Report.

A separate statement containing the salient features of Company's subsidiaries, associates and joint venture in the form AOC-1 is annexed separately and forms part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and based on the guidance and insights from the Auditors and pursuant to the provisions of sub-section (5) of Section 134 of the Act, your Directors confirm that:

- i. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the accounting policies have been selected and applied 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 on 31st March, 2024 and of the profit and loss of the Company for that period;
- iii. proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. the annual accounts are prepared on a going concern basis;
- v. internal financial controls, to be followed by the Company are duly laid down and these controls are adequate and were operating effectively; and
- vi. systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE ACT

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Act.

### STATUTORY AUDITORS AND THEIR REPORT

The Shareholders of the Company at the Forty-First Annual General Meeting held on 26th August, 2021 had accorded their approval pursuant to the provisions of Sections 139, 141 and other applicable provisions of the Act and Rules made thereunder to appoint, M/s. P G BHAGWAT LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of Forty-First Annual General Meeting until the conclusion of Forty-Sixth Annual General Meeting.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

### SECRETARIAL AUDITORS & SECRETARIAL STANDARDS

The Secretarial Auditor, Mr. Ashish Garg, Practising Company Secretary, has issued Secretarial Audit Report (Form MR-3) for the Financial Year 2023-24 pursuant to Section 204 of the Act and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is annexed to Directors' Report (**Refer Annexure-1**). The report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Act.

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Jog Limaye & Associates, Practising Company Secretary, the Secretarial Auditor of Mahadhan AgriTech Limited (*Formerly known as Smartchem Technologies Limited*) and Performance Chemiserve Limited, material subsidiaries,

have issued Secretarial Audit Report (Form MR-3) for the Financial Year 2023-24. The said reports thereon are annexed as **Annexure 8** and **Annexure 9** to the Board's Report.

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

### **COST AUDITORS**

Your Directors, at their meeting held on 29th May, 2024, based on the recommendation of the Audit Committee, have appointed M/s Harshad S. Deshpande & Associates, Cost Accountants, as the Cost Auditors for the Financial Year 2024-25 at a remuneration of ₹ 2,25,000 /- (Rupees Two Lakhs Twenty Five Thousand only) plus GST as applicable and reimbursement of travel and out-of-pocket expenses, which shall be subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Cost Audit Report for the Financial Year ended 31st March, 2023 was duly filed with the Central Government (Ministry of Corporate Affairs) on 20th October, 2023.

In accordance with the provisions relating to maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, the Company is required to maintain respective cost records and accordingly, such accounts and records were made and maintained.

### **INTERNAL AUDITORS**

Ernst & Young LLP (EY) are the Internal Auditors of the Company since Financial Year 2016-17.

Further, the Board, on the recommendation of the Audit Committee, has re-appointed EY as the Internal Auditors of the Company for the Financial Year 2024-25.

### **PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES**

Details of investments made, loans advanced and guarantees given by the Company are given in the notes to the Financial Statements.

### **RELATED PARTY TRANSACTIONS**

All contracts/arrangement/transactions entered by the Company during the period under review with related parties were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature. Pursuant to the said omnibus approval, details of transaction entered into is

also reviewed by the Audit Committee on a quarterly basis.

All related party transactions entered during the financial year 2023-24 were in the ordinary course of business, at arm's length and not material under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the transactions required members' prior approval under the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of transactions with related parties during financial year 2023-24 are provided in the notes to the financial statements. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this Report.

### **CORPORATE GOVERNANCE**

Pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Corporate Governance' is attached to this Annual Report.

Further, a certificate from the Statutory Auditors of the Company regarding compliance with the requirements of Corporate Governance as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this report.

### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

Report on the performance and financial position of subsidiaries, associates and joint venture company in Form AOC-1 is annexed to Board's Report (**Refer Annexure-2**).

### **AWARDS AND ACCOLADES**

Please refer to section "Awards and Accolades" in this Annual Report for details of the awards received by the Company during the year under review.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors of the Company has constituted Nomination and Remuneration Committee and also approved the Nomination and Remuneration Policy which inter- alia contains appointment criteria, qualifications, positive attributes and independence of Directors, removal, retirement and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, have revised the Nomination and Remuneration Policy of the Company, at their meeting held on 25th May, 2022. The modified Nomination and Remuneration Policy is



enclosed as **Annexure 3** and is also available on the website of the Company at <https://www.dfpccl.com/wp-content/uploads/2021/07/Nomination-and-Remuneration-Policy>

### RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted a Risk Management Committee to assess risks in the operations of business units of the Company, to mitigate and minimize risks assessed in the operations of business units, periodic monitoring of risks in the operations of business units, to look after cyber security and other matters delegated to the Committee by Board of Directors of the Company from time to time.

Information on the development and implementation of Risk Management Policy of the Company including identification therein of elements of risk which, in the opinion of the Board may threaten the existence of the Company is given in the Corporate Governance Report and Management Discussion and Analysis.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company as a responsible Corporate Citizen, is engaged in concerted CSR initiatives through Ishanya Foundation, as Implementing Agency for CSR activities.

The details of the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure forming part of this report (**Refer Annexure-4**).

The Board of Directors of the Company has approved a comprehensive CSR Policy as per the amended provisions of the Act. The CSR policy as also the CSR Projects as approved by the Board of Directors are available on the website of the Company at the following links: [https://www.dfpccl.com/uploads/2021/05/CSR-Policy\\_DFPCCL.pdf](https://www.dfpccl.com/uploads/2021/05/CSR-Policy_DFPCCL.pdf)

The details of composition of Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report.

### AUDIT COMMITTEE COMPOSITION

The details of composition of Audit Committee and other details are provided in the Corporate Governance Report.

### ANNUAL RETURN

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: <https://www.dfpccl.com/investors/annual-return/>

### PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES

Information on the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is given in the Corporate Governance Report.

### INDEPENDENCE OF DIRECTORS

All the Independent Directors of the Company have given declaration that they meet the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board of Directors have taken on record the declaration and confirmation received from the Independent Directors and verified the veracity of such disclosures.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company follows the practice of conducting familiarisation programme of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

### WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical conduct. The Company has a Whistle Blower Policy under which the employees are free to report violations of the applicable laws and regulations and the Code of Conduct. Further, as per the provisions of Regulation 18 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) read with Part C of Schedule II to Listing Regulations, the Audit Committee on a quarterly basis reviewed the functioning of whistle blower mechanism of the Company and found the same satisfactory.

A copy of the Whistle Blower Policy is available on the website of the Company at the following weblink: <https://www.dfpccl.com/uploads/2018/12/WhistleBlowerPolicy.pdf>.

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company's internal financial control systems are commensurate with the nature, size and complexity of the businesses and operations. These are periodically tested and certified by Statutory as well as Internal Auditors. Significant audit observations and the follow up actions are reported to the Audit Committee.

## MATERIAL CHANGES AND COMMITMENTS

There have been 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 and the date of this Report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to the provisions of Section 136 (1) of the Act and as advised, the statement containing particulars of employees as required under Section 197 (12) of the Act read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be available for inspection. Members interested in obtaining a copy of the same may write to the Company Secretary at [investorgrievance@dfpcl.com](mailto:investorgrievance@dfpcl.com) and the same will be furnished on request. Hence, the Annual Report is being sent to all the Members of the Company excluding the aforesaid information.

The details of remuneration drawn by Mr. Sailesh C. Mehta, Chairman and Managing Director from the Company is provided in the Corporate Governance Report.

## COMPANIES WHICH HAVE BECOME OR CEASED TO BE THE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, there were no such instances.

## FIXED DEPOSITS

Your Company has not accepted any deposits, covered under Chapter V of the Act and hence no details pursuant to Rule 8 (5) (v) and 8 (5) (vi) of the Companies (Accounts) Rules, 2014 are reported.

## DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The Company has a policy on Prevention of Sexual Harassment at Workplace and the same has been uploaded on the internal portal of the Company for information of all employees.

Pursuant to Section 22 of the POSH Act read with Rules made thereunder, the Company during the year has received two complaints and the same have been investigated and resolved as per the provisions of the POSH Act.

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

As required by the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to Board's Report (**Refer Annexure - 5**)

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, inter alia, provides that the annual report of the top 1,000 listed entities based on market capitalisation (calculated as on 31st March of every financial year), shall include a Business Responsibility And Sustainability Report.

As the Company is one of the top 1,000 listed entities, the Company has presented its Business Responsibility And Sustainability Report (BRS) for the financial year 2023-24, which is part of this Annual Report.

As a green initiative, the BRS Report has been hosted on the Company's website i.e. [www.dfpcl.com](http://www.dfpcl.com)

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING PEOPLE EMPLOYED

The overall industrial relations in the Company were cordial. The manpower employed is around 995 employees.

## ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the Company's bankers, customers, vendors, investors and all other stakeholders for their continued support during the year. Your Directors are also pleased to record their appreciation for the dedication and committed contribution made by employees at all levels who, through their competence and hard work, have enabled your Company to achieve good performance amidst challenging times and look forward to their support in the future as well.

For and on behalf of the Board

Place: Pune  
Dated: 29th May, 2024

**Sailesh Chimanlal Mehta**  
Chairman and Managing Director  
DIN: 00128204

**ANNEXURE 1**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

To,  
The Members,  
**Deepak Fertilisers And Petrochemicals Corporation Ltd.,**  
(CIN-L24121MH1979PLC021360)  
Sai Hira, Survey No. 93, Mundhwa,  
Pune,(Maharashtra)-India, 411036.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Deepak Fertilisers And Petrochemicals Corporation Ltd (CIN-L24121MH1979PLC021360) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 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'):-
  - 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; **which is not applicable to the Company during the Audit Period.**



- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **which is not applicable to the Company during the Audit Period.**
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **which is not applicable to the Company during the Audit Period.**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **which is not applicable to the Company during the Audit Period.**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **which is not applicable to the Company during the Audit Period and**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **which is not applicable to the Company during the Audit Period.**
- (vi) The management has identified and confirmed the compliances of the following laws as specifically applicable to the Company:
- a) Petroleum Act, 1934 and Rules, 2002;
  - b) Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016; and
  - c) The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989.

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

- (vii) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India.
- (viii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

I report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

#### **I further report that**

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

Adequate notice is given to all the Directors to schedule the Board Meeting, 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 decision at Board Meetings and Committee(s) Meetings are carried unanimously as recorded in the meetings of the Board and Committee(s) of the Board, as the case may be and circular resolutions for Board and Committees are carried with the requisite majority as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board.

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, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**CS ASHISH GARG**

FCS No.: 5181/C P No.: 4423

PR No.: 3684/2023.

UDIN No.: F005181F000489632

ICSI Unique No.I2001MP269100.

Place: Pune

Date: May 29, 2024

*This report is to be read with Annexure A which forms an integral part of this report.*

**'ANNEXURE A'**

To,  
The Members,  
**Deepak Fertilisers And Petrochemicals Corporation Limited,**  
(CIN-L24121MH1979PLC021360)  
Sai Hira, Survey No. 93, Mundhwa,  
Pune,(Maharashtra)-India, 411036.

Our Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

**CS ASHISH GARG**

FCS No.: 5181/C P No.: 4423

PR No.: 3684/2023.

UDIN No.: F005181F000489632

ICSI Unique No. I2001MP269100.

Place: Pune

Date: May 29, 2024



## ANNEXURE 2

## FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures.

## Part-A: Subsidiaries

(₹ in lakhs)

Sl. No.	Name of Subsidiary	1	2	3	4	5	6	7	8	9	10	11
		Mahadhan AgriTech Ltd. (formerly Smartchem Technologies Limited)#	Platinum Blasting Services Pty. Limited <sup>§1</sup>	Australian Mining Explosives Pty. Limited <sup>§2*</sup>	Performance Chemiserve Limited <sup>§1</sup>	SCM Fertichem Limited	Deepak Mining Solutions Limited (Formerly Deepak Mining Solutions Private Limited)	Deepak Nitrochem Pty Limited	Mahadhan Farm Technologies Private Limited	Ishanya Brand Services Limited	Ishanya Realty Corporation Limited	Yerrowda Investments Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	AUD 1 AUD = 54.2350	AUD 1 AUD = 54.2350	Indian Rupees	Indian Rupees	Indian Rupees	AUD 1 AUD = 54.2350	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
3	Share Capital	1,705	4,806	-	19	5	1	81	1	410	10	24
4	Reserves & Surplus	4,41,339	5,995	249	1,71,928	-6	-77	-58	473	-766	-10	3,602
5	Total Assets	9,53,811	31,162	2,863	4,78,360	6	5	23	673	930	1	3,630
6	Total Liabilities	5,10,767	20,362	2,409	3,06,413	7	81	-	199	1,287	-1	4
7	Investments	187,916	-	-	7,225	-	-	-	-	-	-	2
8	Turnover	6,27,710	60,084	2,117	1,25,080	-	-	-	4,522	607	-	-
9	Profit / (Loss) before taxation	36,735	6,336	757	-14,050	-2	-21	-1	184	-589	-1	-56
10	Provision for taxation	12,891	2,130	242	-3,537	-	-	-	40	-144	-	4
11	Profit / (Loss) after taxation	23,844	4,206	515	-10,513	-2	-21	-1	144	-446	-1	-60
12	Proposed Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100.00%	65.00%	65.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	85.00%

# Consolidated Figures

<sup>§1</sup> Subsidiary of Mahadhan AgriTech Ltd. (formerly Smartchem Technologies Limited)<sup>§2</sup> Subsidiary of Platinum Blasting Services Pty. Limited

\* Share Capital of Australian Mining Explosives Pty. Limited consists of 1 ordinary share of \$1 which is held by Platinum Blasting Services Pty. Limited

**1. Mahadhan AgriTech Ltd. (MAL) (formerly known as Smartchem Technologies Limited)**

MAL is a wholly owned subsidiary of your Company and is in the business of manufacturing Technical Grade Ammonium Nitrate and manufacturer and trading of fertilisers. MAL achieved a turnover of ₹ 6,277.10 Crores (excluding other income) and profit before tax of ₹ 367.35 Crores.

**2. Platinum Blasting Services Pty. Limited**

Platinum Blasting Services Pty. Limited, an Australian company, is a joint venture (JV) between your Company's wholly owned subsidiary, MAL with local Australian partners having vast experience in providing value-added blasting services

and operational expertise to mining and explosives industries in Australia. This is part of your Company's forward integration initiative. MAL supplies Technical Ammonium Nitrate to the JV.

### 3. Australian Mining Explosives Pty. Limited

Australian Mining Explosives Pty. Limited (AME), an Australian company, is a wholly owned subsidiary of Platinum Blasting Services Pty. Ltd. (a subsidiary of MAL, which is a wholly owned subsidiary of the Company) and is engaged in the business of storage and handling of Technical Ammonium Nitrate.

### 4. Performance Chemiserve Limited (PCL)

PCL is a wholly owned subsidiary Company of MAL. The greenfield Ammonia plant setup by PCL began commercial production on 4th August, 2024.

### 5. SCM Fertichem Limited (SCMFL)

SCMFL is a wholly owned subsidiary of your Company and is in the business of Manufacturing and Trading of Fertilisers, Petroleum, and their products. Currently, the Company is engaged in the business of agriculture produce.

### 6. Deepak Mining Solutions Limited (Formerly known as Deepak Mining Solutions Pvt. Ltd.)

Deepak Mining Solutions Limited is a wholly owned subsidiary of your Company and is in the business of providing consultancy to mining companies in India. It provides consultancy in the entire value chain of the mining business. With the private coal mining segment opening up, it has great potential to mature into a high growth profitable business.

### 7. Deepak Nitrochem Pty Limited

Deepak Nitrochem Pty Limited, is an Australian company and is a wholly owned subsidiary of your company. This company was incorporated for the purpose to capture the opportunity in respect of Mining activity and for synergy for our existing TAN business. This Company has not done any business since inception.

### 8. Mahadhan Farm Technologies Private Limited

The Company, is in the business of manufacturing of water soluble NPKs grades namely 19:19:19, 20:20:20 and 13:40:13; which is further marketed by MAL.

### 9. Ishanya Brand Services Limited (IBSL)

IBSL is wholly owned subsidiary of your Company and is in the business of brand management, online selling of products, giving furniture and home improvement products on rent, developing an E-Commerce platform etc.

### 10. Ishanya Realty Corporation Limited (IRCL)

IRCL is wholly owned subsidiary of your Company and is in the business of construction and operations of design centers, shopping malls, complexes and retailing outlets and other allied activities.

### 11. Yarrowda Investments Limited

Yarrowda Investments Limited (YIL), a subsidiary of your Company, is operating in real estate sector and has in its possession immovable property in Pune. YIL is jointly controlled entity and the Company owns 85% of shares issued in addition to economic and ownership interest in the immovable properties of YIL.

#### Notes:

#### 1. 1. Names of subsidiaries which are yet to commence operations:

- a. Deepak Nitrochem Pty Limited
- b. Deepak Mining Solutions Limited

#### 2. Names of subsidiaries which have been liquidated or sold during the year: None

**FORM AOC-1**

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

**Part-B: Associates and Joint Ventures**

(₹in lakhs)

Sl. No.	Particulars	Details of Associates & Joint Venture
1	Name of the Associates and Joint Ventures	
2	Latest audited Balance Sheet Date	
3	No. Shares of Associate / Joint Ventures held by the Company on the year end	
	Amount of Investment in Associate/ Joint Venture	
	Extend of Holding %	
4	Description of how there is significant influence	None
5	Reason why the associate/ joint venture is not consolidated	
6	Net-worth attributable to Shareholding as per latest audited Balance Sheet	
7	Profit/ (Loss) for the year	
8	Considered in Consolidation	
9	Not Considered in Consolidation	

**Notes:**

- Names of associates or joint ventures which are yet to commence operations:** N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year:** None



### ANNEXURE 3

#### Nomination and Remuneration Policy (As amended w.e.f. 25th May, 2022)

##### 1. Introduction

The Nomination and Remuneration Policy ("Policy") of the Company has been formulated in accordance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and sets out the criteria to pay remuneration to the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

##### 2. Objective and Scope

The Key Objectives and scope of the Nomination & Remuneration Committee would be:

- a) To formulate the criteria for determining qualifications, positive attributes and independence for appointment and removal of a director.
- b) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel which involves a balance between the fixed and incentive pay reflecting short-term and long-term objectives appropriate to the working of the Company and its goals.

##### 3. Definitions

'**Act**' means Companies Act, 2013 and rules thereunder.

"**Board**" means Board of Directors of the Company

"**Committee**" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"**Company**" means Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL)

"**Independent Director**" means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under the Companies Act, 2013 and the LODR Regulations.

"**Key Managerial Personnel**" means Key managerial personnel as defined under the Companies Act, 2013 and includes:

- i. Managing Director or Executive Director or Chief Executive Officer or Manager
- ii. Whole-time Director;
- iii. Company Secretary;
- iv. Chief Financial Officer and
- v. such other officer as may be prescribed.

"**Policy**" means Nomination and Remuneration Policy.

"**Senior Management**" shall have the same meaning as specified in LODR Regulations and the Act, from time to time.

#### 4. Functions of Committee

The Nomination and Remuneration Committee shall, perform the functions as prescribed under the Act and LODR Regulations from time to time.

The Chairperson of the Nomination and Remuneration Committee or in his absence, any other member of the committee authorised by the Chairperson in this behalf shall attend the general meetings of the Company.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

#### 5. Constitution, Chairperson, quorum and frequency of meeting of Nomination & Remuneration Committee

The Constitution, Chairperson, quorum and frequency of meeting of Nomination & Remuneration Committee shall be as stated in the Act and LODR Regulations from time to time.

#### 6. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

#### 7. Minutes of Committee Meeting

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

#### 8. Policy for appointment and removal of Director, Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP")

##### (A) Appointment criteria and qualifications for Director, KMP and SMP

- a) The Committee shall identify and evaluate the balance of skills, knowledge, experience, integrity, qualification, expertise and positive attributes of the person for appointment as Director and recommend to the Board his / her appointment.
- b) The Committee shall devise a policy on Board diversity after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board which will facilitate the Committee to recommend on any proposed changes to the Board to complement the Company's corporate strategy.
- c) The President (HR) of the Company, under the overall superintendence and control of the Chairman & Managing Director, will undertake the process of appointment of KMP and/or SMP based on the roles and responsibilities of the position, the skill sets, attributes, seniority, experience and such other parameters required.
- d) Upon finalization of appointment of a person for the position of KMP and/or SMP by the Chairman and Managing Director and the acceptance of the offer by the candidate, the same shall be put up to the Committee and the Board for its confirmation post which the letter of appointment shall be issued to KMP and/or SMP, as the case may be.

##### (B) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and/or the KMP subject to the provisions and compliance of the applicable Acts, rules and regulations. However, the decision to remove the SMP shall be taken by the Chairman & Managing Director.

**(C) Retirement**

The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. While the Board will have the discretion to retain the Director, the discretion to retain KMP and/or SMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company shall vest with the Chairman & Managing Director of the Company.

**Policy relating to the Remuneration****(A) General - for the Wholetime Director:**

- a) The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, if required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act and the Rules framed thereunder.
- c) Term / Tenure of the Directors shall be as per company's policy and subject to the provisions of the Act.

**(B) Remuneration to Whole-time / Executive / Managing Director:**

- a) Fixed pay:

The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board and approved by the shareholders, if required.

- b) Commission

Commission may be paid within the limits approved by shareholders.

- c) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.

- d) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without approval required under section 197 of the Companies Act, 2013, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the company by special resolution within two years from the date the sum becomes refundable.

**(C) Remuneration to Non-Executive / Independent Director:**

- a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.



b) Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall be decided by the Board and subject to the limit as provided in the Act.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**(D) Remuneration to Key Managerial Personnel and Senior Management Personnel:**

The remuneration of KMP and SMP shall be determined by the management of the Company as per their roles and responsibilities in the organization, skill sets, seniority, experience, the last drawn remuneration and prevailing remuneration for equivalent jobs.

Broadly, the remuneration structure of KMP and SMP shall include the following components:

- i) Basic pay
- ii) HRA
- iii) Allowances
- iv) Perquisites and Benefits
- v) Retiral benefits
- vi) Performance Bonus i.e. incentive pay on the basis of the performance of the KMPs and SMPs.

with liberty to the management to allocate the amounts towards various salary components subject to there being no change in the overall Cost to the Company.

**9. Amendments**

This Policy may be amended by the board at any time and is subject to (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including LODR Regulations.

## ANNEXURE 4

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

For over a decade as a socially responsible Company, Deepak Fertilisers And Petrochemicals Corporation Limited (“DFPCL”) or “the Company”), is committed to serving the society it operates in. The Company conducts several outreach programmes around its establishments. While the CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act, 2013, the focus will be on the following broad themes:

- a) Women empowerment through vocational training (skill development) and livelihood Programmes;
- b) Health and
- c) Education.

The underlying objective for the aforesaid themes is aimed at making people self-reliant through economic and social empowerment, providing employable skills and social entrepreneurship opportunities to youth and women to ensure livelihood for economic betterment and social development of themselves and their families, instilling pride and confidence (in the target population) to take on future challenges.

Health initiatives, culture and heritage support programmes have also formed Company’s ancillary focus areas. Improving the quality and infrastructure in the educational institutions has also been the Company’s priorities.

#### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Partha Bhattacharyya, Chairman**	Independent Director	3	3
2.	Smt. Parul S. Mehta, Member	Non- Executive Director	3	3
3.	Shri M P Shinde, Member	Non-Executive Director	3	3
4.	Shri Sitaram Kunte, Chairman*	Independent Director	N.A.	N.A.

\* Appointed as Member and designated as Chairman of the Committee w.e.f.1st April, 2024;

\*\* Ceased to be a Director and Member of the Committee w.e.f. 31st March, 2024.

#### 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:

Composition of CSR committee:

<https://www.dfpccl.com/uploads/2017/04/Board-Committees-21-APRIL-2022-1.pdf>

CSR Policy:

[https://www.dfpccl.com/uploads/2021/05/CSR-Policy\\_DFPCL.pdf](https://www.dfpccl.com/uploads/2021/05/CSR-Policy_DFPCL.pdf)

CSR projects:

<https://www.dfpccl.com/social-responsibility/>

**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

- 5.** (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 29,864.00 Lakhs  
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135(5): ₹ 598.00 Lakhs  
 (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 (5b+5c- 5d): ₹ 598 Lakhs
- 6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 198.95  
 (b) Amount spent in Administrative overheads : NIL  
 (c) Amount spent on Impact Assessment, if applicable : N.A.  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 198.95  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
198.95	399.05**	30th April, 2024	N.A.	Nil	N.A.

\*\* It represents the amount unspent on Ongoing Projects.

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	598.00
(ii)	Total amount spent for the Financial Year	198.95
(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:**

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (₹ in Lakhs)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (₹ in Lakhs)	Amount spent in the Financial Year (₹ in Lakhs)
(i)	(ii)	(iii)	(iv)	(v)
1	2022-23	101.05	101.05	Nil
		Amount transferred to a fund 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 Lakhs)	Deficiency, if any
		(vi)	(vii)	(viii)
		Amount (₹ in Lakhs)	Date of transfer.	
			NIL	

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

YES  NO

If yes, enter the number of Capital assets created/ acquired - Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	PIN Code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.**

The Company has an on-going project of providing employable technical skill to youth in the region surrounding the Company factory i.e. Establishment of Skill Development Center (SDC). There is a delay in obtaining suitable land / clarity on usage of the identified land for SDC. Therefore, the Company could not spend ₹ 399.05 Lakhs during the financial year 2023-24. The Company will spend ₹ 399.05 Lakhs, which is unspent CSR amount for the financial year 2023-24, in the coming financial years. The Company has deposited the same amount of ₹ 399.05 Lakhs in the separate bank account, Deepak Fertilisers And Petrochemicals Corporation Limited – Unspent CSR Account for the financial year 2023-24, opened for this purpose.

Sd/-  
**Sitaram Kunte**

(Independent Director and Chairman – CSR Committee)

Sd/-  
**Parul Mehta**

(Non-Executive Director and Member – CSR Committee)

## ANNEXURE 5

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

Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014

#### A. CONSERVATION OF ENERGY

##### (a) THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

– **Taloja K1-6 Plant:**

- (i) Major revamp & overhauling of key rotating equipment including expanders, compressors & gas turbines – thereby increasing the energy efficiency and reduction of steam & power consumption;
- (ii) Proactive replacement of Gas Turbine engine as a part of obsolescence management, leading to efficiency improvement, reduction of heat rate & NOx emission level;
- (iii) Optimization of number of captive power generators to maximize asset utilization and efficiency, there reducing by overall steam-power requirement;
- (iv) Conceptualized a novel idea of replacing existing back pressure 3.0 MW steam turbine with extraction type 3.0 MW steam turbine to optimize the steam-power balance of the site;
- (v) Modified IPA column internals to improve separation efficiency, reduce steam consumption;
- (vi) Developed & installed new catalyst system for IPA to improve throughput and optimize specific consumptions;
- (vii) Conventional lights are replaced with energy efficient LED reducing power consumption by 11.8 MWh per annum;
- (viii) Review of operational philosophy & procedures to optimize energy consumption, and reducing energy and material losses;
- (ix) Carried out thorough audit of air systems to identify and arrest any leakages;
- (x) Carried out thorough energy audit for identifying & minimizing heat losses through replacing insulation;
- (xi) Replaced low efficiency motors, pumps, fans with high efficiency alternatives significantly reducing power consumption.

– **Dahej Plant:**

- (i) Installation of energy efficient 3.6 MW Steam turbine to reduce steam consumption by 4.5 TPH in WNA 6 Plant resulting in significant improvements in steam specific consumption and productivity;
- (ii) Covered raw water storage tanks thereby reducing evaporation loss.

##### (b) THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:

- (i) Continued utilization of 10.0 MW Wind energy, 5.4 MW Solar energy through group captive open access at Taloja plant;
- (ii) Increased contract demand of Taloja plant from 14000 kVA to 18000 kVA, stopping two gas turbines, and to increase capacity for renewable offtake;
- (iii) Exploring sourcing additional renewable energy through solar-wind hybrid open access.

**(c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:**

- (i) Several initiatives as mentioned above in A (a), were undertaken to enhance energy efficiency and or productivity. Among several projects including maintenance and debottlenecking, some of the key capital projects that helped energy conservation include :

Description	Capex (₹ in Crores)
Installation of Energy 3.6 MW Efficient Turbine in Dahej	19
Various Feasibility & Engineering studies for optimization initiatives	11
APC & AI/ML based Smart factory solution	1

**B. TECHNOLOGY ABSORPTION****1) The efforts made towards technology absorption****- Taloja K1 Plant:**

- (i) Enhancing cycle length of IPA plant catalyst system by online dosing of phosphoric acid;
- (ii) Increasing catalyst selectivity & conversion efficiency of IPA plant by recycling by-products NPA (N-Propyl Alcohol) and DIPE (Diisopropyl Ether); and
- (iii) Auto dosing system for optimizing cooling tower chemical consumption and cycles of concentration.

**Taloja K7-8 Plant:**

- (i) Installed & commissioned facility of N<sub>2</sub>O abatement for WNA-3 plant, to reduce N<sub>2</sub>O emissions.

**Dahej Plant:**

- (i) High efficiency steam turbine to reduce steam specifics 0.225 → 0.035 MT/MT and increasing productivity.

**2) The benefits derived like product improvement, cost reduction, product development or import substitution:****Taloja K1-6 Plant:**

- (i) Commissioning of 1500 TPD Performance Chemiserve Limited Ammonia plant directly reducing dependency on imported ammonia used as raw material for various downstream products being manufactured by the Company.

**3) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :**

Details of Technology imported	The Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and reasons therefore
New catalyst for N <sub>2</sub> O Abatement in WNA-3	2023	Yes	-



**4) The expenditure incurred on Research and Development**

There is no major expenditure on Research and Development during the year. However, inhouse trials as below have been carried out in effort to develop new products / processes.

**a) New Product Development Synergic to Existing Products Basket:****Taloja:**

- (i) Developed laboratory process to purify technical grade IPA to electronic grade IPA (ELIPA). In view of the potential of semiconductor industries in India, commercialization is planned.
- (ii) Developed pilot scale process to purify crude n-propyl alcohol (NPA) to pure NPA. Domestic consumers identified and Commercialization planned to fulfill their requirement.
- (iii) Developed laboratory process to produce Iso-propyl acetate. Multi-purpose facility for similar esterification process is under consideration.
- (iv) Developed simulation-based process to purify ammonia (NH<sub>3</sub>) to solar grade 7N-NH<sub>3</sub>.

**Dahej Plant:**

- (i) Developed multi grade PICKBRITE Steel Grade Nitric acid for steel industry to reduce HF consumption & reduce metal losses.

**b) New Process Development to address cost margins & de-risk RM availability:****Taloja K1-6 Plant:**

- (i) Online dosing of phosphoric acid to avoid need for soaking of IPA catalyst thereby increasing plant availability.

**c) Other R&D Initiative adding value to existing process:**

NIL

**d) Benefits derived as a result of the above R & D**

As mentioned in (4) (a) and (b) above.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Details with respect to foreign exchange earnings and outgo are as under:

#### Earning in Foreign Currency (₹ In Lakhs)

Particulars	31st March 2024	31st March 2023
Export of goods (Manufactured and Traded)	3,422.84	1,749.66
Other Income	6,671.28	2,540.48
Other Income - Sale of Investment	-	-
<b>Total</b>	<b>10,094.12</b>	<b>4,290.14</b>

#### Expenditure in Foreign Currency (₹ In Lakhs)

Particulars	31st March 2024	31st March 2023
Interest and repayment of Loans	57.45	345.31
Technical fees to Foreign Vendors	387.51	845.86
Foreign Travels	-	-
Others (Net of Reimbursements)	2,018.87	-
<b>Total</b>	<b>2,463.83</b>	<b>1,191.17</b>

#### CIF Value of Imports (₹ In Lakhs)

Particulars	31st March 2024	31st March 2023
Raw Materials	2,639.29	23,178.00
Capital goods and spares	4,732.44	101.00
Traded chemicals	901.16	16,917.00
Traded Furniture	-	453.00
<b>Total</b>	<b>8,272.89</b>	<b>40,649.00</b>

## ANNEXURE 6

### Annual Secretarial Compliance Report of Deepak Fertilisers And Petrochemicals Corporation Limited for the financial year ended March 31, 2024

[Under Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Ashish Garg, Practicing Company Secretary, have examined:

- (a) all the documents and records made available to me and explanation provided by **DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LTD.** (CIN: L24121MH1979PLC021360), ("the Listed Company")
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the Financial year ended 31st March, 2024 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*which is not applicable during the financial year under review*);
- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*which is not applicable during the financial year under review*);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*which is not applicable during the financial year under review*);
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (*which is not applicable during the financial year under review*);
- (g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 to the extent applicable;
- (i) SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019 in terms of compliances related to resignation of statutory auditors from listed entities and their material subsidiaries (*which is not applicable during the financial year under review*);



and circulars/guidelines issued there under and based on the above examination, I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular	Deviations	Action Taken by	Type of Action Advisory	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular	Deviations	Action Taken by	Type of Action Advisory	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

Further, based on the above examination, I hereby report, during the review period the compliance status of the listed entity with the following requirements:-

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	<b>Secretarial Standards:</b>  The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	Yes	-
2.	<b>Adoption and timely updation of the Policies:</b>  <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; timely updated as per the regulations/circulars/guidelines issued by SEBI</li> </ul>	Yes	-
3.	<b>Maintenance and disclosures on Website:</b>  <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website .</li> </ul>	Yes	-

Sr. Particulars No.	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
<p>4. <b>Disqualification of Director:</b></p> <p>None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	Yes	-
<p>5. <b>To examine details related to Subsidiaries of listed entities:</b></p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries.</p>	Yes	-
<p>6. <b>Preservation of Documents:</b></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	-
<p>7. <b>Performance Evaluation:</b></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>	Yes	-
<p>8. <b>Related Party Transactions:</b></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee.</p>	Yes  NA	-  All the related party transactions are with prior approval of Audit Committee.
<p>9. <b>Disclosure of events or information:</b></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.</p>	Yes	-
<p>10. <b>Prohibition of Insider Trading:</b></p> <p>The listed entity is in compliance with Regulation 3(5) &amp; 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	-
<p>11. <b>Actions taken by SEBI or Stock Exchange(s), if any:</b></p> <p>No action(s) has been taken against the listed entity/its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.</p>	Yes	-

Sr. Particulars No.	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
12. <b>Resignation of statutory auditors from the listed entity or its material subsidiaries:</b>	Yes	-
In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entity.		
13. <b>Additional Non-compliances, if any:</b>	Yes	-
No any additional non-compliance observed for all SEBI regulation/circular/ guidance note etc.		

#### Assumptions & Limitation of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to report based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**CS ASHISH GARG**

FCS No.: 5181/C P No.: 4423

PR No.: 3684/2023

UDIN No.: F005181F000488015

ICSI Unique No.I2001MP269100.

Date: May 29, 2024



**ANNEXURE 7****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Deepak Fertilisers And Petrochemicals Corporation Limited,**  
Sai Hira, Survey No. 93, Mundhwa,  
Pune - 411036.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Deepak Fertilisers and Petrochemicals Corporation Ltd. (CIN L24121MH1979PLC021360) (hereinafter referred to as 'the Company') and having registered office at Sai Hira, Survey No. 93, Mundhwa, Pune-411036, produced before us by the Company on the e-mail for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of 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 and 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 March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	DIN	Name of Director	Designation	Original Date of appointment
1.	06533004	Madhumilan Parshuram Shinde	Director	10/02/2017
2.	05011160	Jayesh Hirji Shah	Director	20/12/2021
3.	00196410	Parul Sailesh Mehta	Director	20/10/2005
4.	00128204	Sailesh Chimanlal Mehta	Managing Director	01/08/2008
5.	00329479	Partha Sarathi Bhattacharyya*	Director	31/10/2012
6.	01657366	Bhuwan Chandra Tripathi	Director	13/02/2020
7.	00058019	Sujal Anil Shah	Director	30/06/2020
8.	05288076	Varsha Vasant Purandare	Director	31/01/2021
9.	02670899	Sitaram Kunte	Director	02/02/2023
10.	10044096	Terje Bakken	Director	20/02/2023
11.	05281731	Sanjay Gupta	Director	02/02/2023

\*Shri Partha Sarathi Bhattacharyya ceased to be an Independent Director of the Company upon completion of his first term of 5 (five) consecutive years on 31st March, 2024.

Ensuring the eligibility 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.

**CS ASHISH GARG**

FCS No.: 5181/C P No.: 4423

PR No.: 3684/2023

UDIN No.: F005181F000490811

ICSI Unique No.I2001MP269100.

Place: Indore

Date: May 29, 2024

**ANNEXURE 8****Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024**

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

To,  
The Members,  
**MAHADHAN AGRITECH LIMITED**  
(Earlier known as Smartchem Technologies Limited)  
Sai Hira, Survey No.93, Mundhwa,  
Pune-411036, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahadhan AgriTech Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) the Companies Act, 2013 (the Act) amended from time to time and the Rules, Notifications and Circulars issued thereunder (in so far as they are made applicable) and
- (ii) other Laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are
  - (a) Essential Commodities Act, 1955;
  - (b) The Fertilisers (Inorganic, Organic and Mixed) Control Order, 1985;
  - (c) Explosive Act, 1884;
  - (d) Ammonium Nitrate Rules, 2012;
  - (e) The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989; and
  - (f) Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016.

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by "The Institute of Company Secretaries of India" – The Company has generally complied with Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder.

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda are sent well 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.

Generally, decisions at the Committee and Board Meetings are being taken with the unanimous approval of the Members and Directors. However, the views of all the dissenting Directors, if any, have been captured and recorded in the minute book.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that**

The Company has filed all the necessary forms with Registrar of Companies and has paid additional fees wherever applicable.

At the Annual General Meeting of the Company held on 9th August 2023, following business were transacted:

- (1) The Shareholders passed an Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March 2023, and the Board's Report and Auditor's Report thereon.
- (2) The Shareholders passed an Ordinary Resolution to appoint a director in place of Smt. Parul Mehta (DIN: 00196410), who retires by rotation and being eligible, offers herself for re-appointment.
- (3) The Shareholders passed an Ordinary Resolution to ratify the remuneration to be paid to the Cost Auditors of the Company.
- (4) The Shareholders passed an Ordinary Resolution to consider appointment of Shri B C Tripathi as Independent Director of the Company.

**We further report that** during the audit period, there was no other event/action having major bearing on affairs of the Company.

For **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**  
Partner  
M. No. F9552  
CP No.- 9798  
UDIN: F009552F000402428  
PR- 738/2020

Place: Pune  
Date: 20th May 2024

**Note:** This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

**'ANNEXURE A'**

To,  
The Members,  
**MAHADHAN AGRITECH LIMITED**  
(Formerly known as Smartchem Technologies Limited)  
Sai Hira, Survey No.93,  
Mundhwa, Pune 411036

Our Secretarial Audit 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 these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**

Partner

M. No. F9552

CP No. - 9798

UDIN: F009552F000402428

PR- 738/2020

Place: Pune

Date: 20th May 2024



**ANNEXURE 9****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024**

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

To,  
The Members,  
**PERFORMANCE CHEMISERVE LIMITED**  
Sai Hira, Survey No.93, Mundhwa,  
Pune-411036, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Performance Chemiserve Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 (**Audit Period**), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on **31st March 2024** according to the provisions of:

- i) The Companies Act, 2013 (the Act) amended from time to time and the rules, notifications and circulars issued thereunder (as far as they become applicable);
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Byelaws Framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
**Not Applicable to the Company during the audit period**
  - 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, 2009;  
**Not Applicable to the Company during the audit period**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;  
**Not Applicable to the Company during the audit period**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer agents during the audit period.**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the audit period**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the audit period**
- vi) The other laws, as informed and certified by the Management of the Company which may become specifically applicable to the Company based on sector/industry are:
  - a) Petroleum Act, 1934 and Rules 2002
  - b) Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016; and
  - c) Explosive Act, 1884

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by "The Institute of Company Secretaries of India" – The Company has generally complied with Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with BSE Limited read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 - to the extent applicable.

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of 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 Companies Act, 2013 and Rules made thereunder.

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda are sent well 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.

Generally, decisions at the Committee and Board Meeting are being taken with the unanimous approval of the Members and Directors. However, the views of all the dissenting Members / Directors, if any, have been captured and recorded in the minute book.

We further report that during the audit period

1. The Company has listed its debt securities on BSE Ltd on 08th June 2023.
2. The Company has filed all the necessary forms with Registrar of Companies and has paid additional fees wherever applicable.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that**

At the Annual General Meeting of the Company held on 9th August 2023, following business were transacted:

- (1) The Shareholders passed an Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March 2023, and the Board's Report and Auditor's Report thereon.
- (2) The Shareholders passed an Ordinary Resolution to appoint a Director in place of Shri Ashok P Shah (DIN: 00196506), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) The Shareholders passed a Ordinary Resolution to re-appoint M/s. B. K. Khare & Co. Chartered Accountants, Mumbai as statutory auditors of the Company who shall hold office for the second term for a period of 5 years, until the conclusion of the 22nd Annual General Meeting of the Company.
- (4) The Shareholders passed a Special Resolution for continuation the office of Non-Executive Independent Director by Shri S. R. Wadhwa (DIN - 00228201), despite attaining the age of 75 years.
- (5) The Shareholders passed a Special Resolution for continuation the office of Non-Executive Independent Director by Shri U. P. Jhaveri (DIN - 00273898), despite attaining the age of 75 years.

**We further report that** during the audit period, there was no other event/action having major bearing on affairs of the Company.

For **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**

Partner

M. No. F9552

CP No. - 9798

UDIN: F009552F000397931

PR- 738/2020

Place: Pune

Date: May 05, 2024

**Note:** This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

**'ANNEXURE A'**

To,  
The Members,  
**Performance Chemiserve Limited**  
Sai Hira, Survey No.93,  
Mundhwa, Pune 411036

Our Secretarial Audit 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 these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jog Limaye & Associates**  
Company Secretaries

**Mandar Shrikrishna Jog**

Partner

M. No. F9552

CP No. – 9798

UDIN: F009552F000397931

PR- 738/2020

Place: Pune

Date: May 05, 2024



## Corporate Governance

The Company believes in creating value for its stakeholders following the principles of fairness, equity, transparency, accountability and dissemination of information. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company's philosophy of good Corporate Governance aims at establishing a system which will assist the management to fulfill its corporate objectives as well as to serve the best interest of the stakeholders at large viz. Shareholders, Customers, Employees, Society, Suppliers, Lenders etc.

### BOARD OF DIRECTORS

The Company's Board composition resonates Board diversity and is best demonstrated in the well balanced and independent structure of the Company's Board of Directors which has a very balanced representation of Executive, Non-Executive and Independent Directors for enhancement of organizational capabilities. Members of the Board have been handpicked to provide an apt mix of knowledge, experience, vigilance and security for enhancement of organizational capabilities.

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is a member of more than 10 Committees or a Chairman of more than 5 Committees across all Companies in which they are Directors. The changes in the composition of the Board during the year and its composition as on 31st March, 2024 was as follows:

Sr. No.	Category	Name of Director
1.	Promoter and Executive Director	Mr. S. C. Mehta, Chairman & Managing Director
2.	Promoter & Non-Executive Director	Mrs. Parul S. Mehta
3.	Non-Executive and Non-Independent Director	Mr. M. P. Shinde
4.	Independent Directors	Mr. Partha Bhattacharyya <sup>1</sup>
5.		Mr. Bhuwan Chandra Tripathi
6.		Mr. Sujal Anil Shah
7.		Mrs. Varsha Purandare
8.		Mr. Jayesh Hirji Shah
9.		Mr. Sanjay Gupta
10.		Mr. Sitaram Kunte
11.		Mr. Terje Bakken

1. Mr. Partha Bhattacharyya, on completion of his first term as Independent Director, has ceased to be director of the Company w.e.f. 31st March, 2024.

### MEETINGS OF BOARD OF DIRECTORS

During the year under review, seven Board Meetings were held. These meetings were held on 17th May, 2023, 20th May, 2023, 26th July, 2023, 9th August, 2023, 2nd November, 2023, 1st February, 2024 and 27th March, 2024. The gap between any two meetings has been less than one hundred and twenty days.

The record of attendance of Directors for Board Meetings and the previous Annual General Meeting and the Directorships of Public Limited Companies and Membership / Chairmanship of Board Committees as on 31st March, 2024 are as given below:

Sr. No.	Name of Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships in listed Companies including this Company	No. of Directorships of other Companies Including Private Companies <sup>§</sup>	No. of membership of other Board Committees <sup>#</sup>	No. of Chairmanship of other Board Committees <sup>#</sup>
1.	Mr. S. C. Mehta	7 out of 7	Yes	1	8	0	0
2.	Mrs. Parul S. Mehta	7 out of 7	Yes	1	7	1	0
3.	Mr. M. P. Shinde	7 out of 7	Yes	1	3	4	0
4.	Mr. Bhuwan Chandra Tripathi	6 out of 7	Yes	1	4	4	2
5.	Mr. Sujal Anil Shah	7 out of 7	Yes	7	9	6	2
6.	Mrs. Varsha Purandare	4 out of 7	Yes	3	8	9	5
7.	Mr. Jayesh Hirji Shah	6 out of 7	Yes	1	0	1	1
8.	Mr. Sanjay Gupta	7 out of 7	Yes	1	1	0	0
9.	Mr. Sitaram Kunte	7 out of 7	Yes	1	3	3	1
10.	Mr. Terje Bakken	7 out of 7	Yes	1	0	0	0
11.	Mr. Partha Bhattacharyya <sup>1</sup>	7 out of 7	Yes	4	11	5	4

<sup>§</sup> Excludes directorships of foreign companies and dormant companies.

<sup>#</sup> Includes only Audit Committee and Stakeholders' Relationship Committee.

1 Mr. Partha Bhattacharyya, on completion of his first term as Independent Director, has ceased to be director of the Company w.e.f. 31st March, 2024.

#### Notes:

As per declarations received, none of the directors serve as an independent director in more than seven listed entities. Further, the Managing Director of the Company does not serve as an independent director in any other entity. Further, other than Mr. S. C. Mehta and Mrs. Parul S. Mehta who are related, none of the other directors are related to each other.

The names of listed entities where the directors of the Company hold directorships including the category of directorships as on 31st March, 2024 are given below:

Sr. No.	Name of the director	Name of listed entities	Category
1	Mr. S. C. Mehta	Deepak Fertilisers And Petrochemicals Corporation Limited	Chairman & Managing Director
2	Mrs. Parul S. Mehta	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
3	Mr. M. P. Shinde	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
4	Mr. Partha Bhattacharyya <sup>#</sup>	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Tide Water Oil Co. India Limited	Independent Director
		Ramkrishna Forgings Limited	Independent Director
		Texmaco Rail & Engineering Limited	Independent Director
5	Mr. Bhuwan Chandra Tripathi	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director

Sr. No.	Name of the director	Name of listed entities	Category
6	Mr. Sujal Anil Shah	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		NOCIL limited	Independent Director
		Navin Fluorine International Limited	Independent Director
		Amal Limited	Independent Director
		Hindustan Mills Limited	Independent Director
		Mafatlal Industries Limited	Independent Director
7	Mrs. Varsha Purandare	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Orient Cement Limited	Independent Director
		The Federal Bank Limited	Independent Director
8	Mr. Jayesh Hirji Shah	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
9	Mr. Sanjay Gupta	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
10	Mr. Sitaram Kunte	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
11	Mr. Terje Bakken	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director

# Mr. Partha Bhattacharyya, on completion of his first term as Independent Director, has ceased to be director of the Company w.e.f. 31st March, 2024.

## CORE SKILL / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following is the list of core skills / expertise / competencies identified by the Board of Directors in the context of the Company's business and the said skills are available with the Board of Directors:

Audit & Risk Management, Corporate Governance, CSR & NGO matters, Finance & Taxation, Global Business Leadership, Human Resources, Law, Management & Strategy, Operations & Engineering, Regulatory & Government matters, Research & Development, Sales, International Business.

Further, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the names of directors who have such skills / expertise / competence shall be disclosed, which are as below:

However, the absence of a mark against a director's name does not necessarily mean the director does not possess the corresponding qualification and skill.

Director	Audit & Risk Management	Corporate Governance	CSR & NGO matters	Finance & Taxation	Global Business Leadership	Human Resources	Law	Management & Strategy	Operations & Engineering	Regulatory & Government matters	Research & Development	Sales	International Business
Mr. S. C. Mehta	✓	✓	✓		✓	✓		✓	✓				✓
Mrs. Parul S. Mehta	✓	✓	✓			✓	✓	✓				✓	
Mr. M. P. Shinde	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Mr. Partha Bhattacharyya#	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Bhuwan Chandra Tripathi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sujal Anil Shah	✓	✓	✓	✓	✓		✓	✓	✓	✓			
Mrs. Varsha Purandare	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Mr. Jayesh Hirji Shah	✓	✓	✓	✓		✓	✓	✓		✓			✓
Mr. Sanjay Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sitaram Kunte		✓		✓	✓		✓	✓		✓		✓	✓
Mr. Terje Bakken				✓	✓			✓	✓		✓	✓	✓

# Mr. Partha Bhattacharyya, on completion of his first term as Independent Director, has ceased to be director of the Company w.e.f. 31st March, 2024.

## COMMITTEES OF BOARD OF DIRECTORS

### AUDIT COMMITTEE

The Company has an Audit Committee comprising of four directors, majority of which are Independent. The Committee was headed by Mr. Partha Bhattacharyya till 31st March, 2024. The Committee has been reconstituted w.e.f. 1st April, 2024 and Mr. Sujal Anil Shah has been designated as Chairman of the Audit Committee.

The terms of reference of Audit Committee are in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Section 177 of Companies Act, 2013 which inter alia, includes to oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance and independence of statutory and internal auditors, reports of the Company's internal auditors, cost auditor and financial statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial statements and results of operations, statement of related party transactions and internal control systems.

During the year under review, eight meetings of Audit Committee were held i.e., 16th May, 2023, 20th May, 2023, 6th July, 2023, 25th July, 2023, 26th October, 2023, 1st November, 2023, 31st January, 2024 and 27th March, 2024.

The composition of the Committee as on 31st March, 2024 and the attendance of the members at the aforesaid meetings is as follows:

Name of Director	Category	No. of meetings held		Whether attended last AGM
		Held	Attended	
Mr. Partha Bhattacharyya <sup>#</sup>	Independent Director	8	8	Yes
Mr. Madhumilan Shinde	Non-Executive Non-Independent Director	8	7	Yes
Mr. Sujal Anil Shah	Independent Director	8	8	Yes
Mr. Bhuwan Chandra Tripathi	Independent Director	8	7	Yes
Mrs. Varsha Purandare <sup>*</sup>	Independent Director	NA	NA	Yes

<sup>#</sup> Mr. Partha Bhattacharyya, on completion of his first term as Independent Director, has ceased to be director of the Company w.e.f. 31st March, 2024.

<sup>\*</sup> Appointed as Member of the Committee w.e.f. 1st April, 2024.

Besides the above, Chairman and Managing Director and the Chief Financial Officer (CFO) are permanent invitees to Audit Committee Meetings. The representatives of Statutory Auditor, Internal Auditor and Cost Auditor attend such meeting of the Audit Committee, where matters concerning them are discussed.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee comprising of three directors, majority of which are Independent. The Committee is headed by Mr. Jayesh Hirji Shah.

Pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee specifically looks into redressal of complaints related to transmission of shares, non- receipt of dividends, non-receipt of annual report, etc. received from security holders and to improve the efficiency in service to security holders etc.

The terms of reference of Stakeholders Relationship Committee are in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which, inter alia, include the following:

1. Resolving the grievances of the security holders;
2. Review of measures taken for effective exercise of voting rights by shareholders;



3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices from the shareholders of the Company.

During the year under review, one meeting of Stakeholders Relationship Committee was held on 27th July, 2023.

The composition of the Committee as on 31st March, 2024 and the attendance of the members at the aforesaid meeting is as follows:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Jayesh Hirji Shah, Chairman	1	1
Mr. Madhumilan Shinde, Member	1	1
Smt. Parul S. Mehta, Member	1	1

Mr. Gaurav Munoli, Company Secretary is the Compliance Officer.

Details of complaints received during the financial year 2023-24 are as follows:

No. of complaints received	No. of complaints not solved to the satisfaction of shareholders	No. of pending complaints
57	0	2*

\* Pending complaints have been resolved post end of financial year within the specified timeline.

## NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee comprising of three directors, all of whom are Independent Directors. The Committee is headed by Mr. Bhuwan Chandra Tripathi.

The terms of reference of Nomination and Remuneration Committee are in accordance with provisions of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia, includes to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment / removal and shall carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board of Directors policy relating to remuneration for the directors, key managerial personnel and other senior officials.

During the year under review, one meeting of Nomination and Remuneration Committee was held on 17th May, 2023.

The composition of the Committee as on 31st March, 2024 and the attendance of the members at the meetings held was as follows:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Bhuwan Chandra Tripathi, Chairman	Independent Director	1	1
Mr. Sujal Anil Shah, Member	Independent Director	1	1
Mr. Partha Bhattacharyya, Member*	Independent Director	1	1
Mr. Sitaram Kunte, Member <sup>#</sup>	Independent Director	NA	NA

\* Mr. Partha Bhattacharyya, on completion of his first term as Independent Director, has ceased to be director of the Company w.e.f. 31st March, 2024.

<sup>#</sup> Appointed as Member of the Committee w.e.f. 1st April, 2024.

## PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Chairman, Individual Directors, Board as well as its Committees for FY 2023-24. The Board at its Meeting held on 29th May, 2024 reviewed the reports on performance assessment of the Board, its Committees and individual directors.

The evaluation framework for assessing the performance of Chairman, Directors, Board as well as its Committees comprises, inter alia, of the following criteria:

- i. Directors bring an independent judgment on the Board's discussions utilizing their knowledge and experience especially on issues related to strategy, operational performance and risk management.
- ii. Directors demonstrate awareness and concerns about norms relating to Corporate Governance disclosure and legal compliances.
- iii. Directors contribute new ideas / insights on business issues raised by Management.
- iv. Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- v. The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.
- vi. The Board receives adequate and timely information to enable discussions / decision making during Board meetings.
- vii. The Board addresses interests of all stakeholders of the Company.
- viii. The Committees are delivering on the defined objectives.
- ix. The Committees have the right composition to deliver their objectives.

Performance evaluation of independent directors in addition to the above evaluation, also considers attendance in Board and Committee meetings, time devoted for the Company, contribution in the Board processes and discussions and such other criteria as may be considered by the Nomination and Remuneration Committee from time to time.

Further, the Nomination and Remuneration Policy is available on the website of the Company at <https://www.dfpc.com/uploads/2021/07/Nomination-and-Remuneration-Policy-25-05-2022.pdf>.

## PROJECT & FUNDING COMMITTEE

The Company has a Project & Funding Committee comprising of three directors, all of whom are Independent Directors.

The terms of reference of Project & Funding Committee, inter alia, includes, to evaluate periodically projects proposed to be taken up by the Company, to review ongoing projects, consider proposals for funding of the projects and recommend to the Board of Directors for consideration and approval of new projects.

During the year under review, two committee meetings were held on 26th July, 2023 and 5th August, 2023. The composition of the committee as on 31st March, 2024 is as under:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Bhuwan Chandra Tripathi	Independent Director	2	2
Mrs. Varsha Purandare	Independent Director	2	2
Mr. Sanjay Gupta*	Independent Director	1	1

\* Mr. Sanjay Gupta appointed as member of the Committee w.e.f. 26th July, 2023.

## MANUFACTURING OPERATIONS REVIEW COMMITTEE

The Company has a Manufacturing Operations Review Committee comprising of three directors, majority of which are Independent. The Committee was headed by Mr. Partha Bhattacharyya, Independent Director till 31st March, 2024. The Committee has been reconstituted w.e.f. 1st April, 2024 and Mr. Bhuwan Chandra Tripathi has been designated as Chairman of the Manufacturing Operations Review Committee.

The terms of reference of Manufacturing Operations Review Committee, inter alia, include, to periodically review factory operations, safety, hazard and pollution / emissions, to suggest initiatives for improving efficiencies and standards, to review internal audit reports pertaining to factory operations and to suggest corrective actions to take care of observations of the Internal Auditors.

During the year under review, one meeting of Manufacturing Operations Review Committee was held on 8th November, 2023.

The composition of the Committee as on 31st March, 2024 and the attendance of the members at the meetings held was as follows:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Partha Bhattacharyya, Chairman*	Independent Director	1	1
Mr. M. P. Shinde, Member	Independent Director	1	1
Mr. Bhuwan Chandra Tripathi, Member <sup>#</sup>	Independent Director	NA	NA
Mr. Sanjay Gupta, Member <sup>§</sup>	Independent Director	NA	NA

\* Mr. Partha Bhattacharyya on completion of his first term as an independent director has ceased to be director of the Company w.e.f. 31st March, 2024 and also ceased to be the chairman and member of the Manufacturing Operations Review Committee.

<sup>#</sup> The Committee has been re-constituted w.e.f. 1st April, 2024 and Mr. Bhuwan Chandra Tripathi designated as Chairman of the Committee.

<sup>§</sup> Appointed as Member of the Committee w.e.f. 1st April, 2024.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility Committee. The Committee was headed by Mr. Partha Bhattacharyya, Independent Director till 31st March, 2024. The Corporate Social Responsibility Committee has been re-constituted w.e.f. 1st April, 2024 and Mr. Sitaram Kunte has been appointed as Chairman and Member of the Corporate Social Responsibility Committee.

The terms of reference of Corporate Social Responsibility Committee (CSR), inter alia, include, formulation and recommendation to the Board of Directors, CSR Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013, approve and recommend to the Board of Directors the CSR budget for the activities referred in CSR Policy of the Company and also monitor the mechanism for CSR projects or programmes or activities undertaken by the Company and monitor the CSR Policy of the Company from time to time.

During the year under review, three meetings of Corporate Social Responsibility Committee were held on 15th June, 2023, 28th November, 2023 and 26th March, 2024.

The composition of the Committee as on 31st March, 2024 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Partha Bhattacharyya, Chairman*	3	3
Mrs. Parul S. Mehta, Member	3	3
Mr. M. P. Shinde, Member	3	3
Mr. Sitaram Kunte, Chairman <sup>#</sup>	NA	NA

\* Mr. Partha Bhattacharyya on completion of his first term as an independent director has ceased to be director of the Company w.e.f. 31st March, 2024 and also ceased to be the chairman and member of the Corporate Social Responsibility Committee.

<sup>#</sup> Appointed as Member and designated as Chairman of the Committee w.e.f. 1st April, 2024.

The Board of Directors of the Company have approved a comprehensive CSR Policy as per the amended provisions of the Companies Act, 2013. The CSR policy as also the CSR Projects as approved by the Board of Directors are available on the website of the Company at [https://www.dfpl.com/uploads/2021/05/CSR-Policy\\_DFPCL.pdf](https://www.dfpl.com/uploads/2021/05/CSR-Policy_DFPCL.pdf) & <https://www.dfpl.com/social-responsibility>.

## RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee comprising of three members, out of which two are directors. The Committee is headed by Mr. M. P. Shinde, Non-Executive Non-Independent Director.

The terms of reference of the Committee are in line with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also include other matters delegated to the Committee by Board of Directors of the Company from time to time.

The Company has also framed a Risk Management Policy with an intention to systematically identify, evaluate, mitigate and monitor risks in the Company and its subsidiaries / associates.

During the year under review, two Meetings of the Risk Management Committee were held on 5th May, 2023 and 27th October, 2023.

The composition of the Committee as on 31st March, 2024 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. M. P. Shinde, Chairman	2	2
Mr. Bhuwan Chandra Tripathi, Member	2	1
Mr. Amitabh Bhargava, Member <sup>1</sup> & *	2	2
Mr. Deepak Rastogi <sup>1</sup> & #	0	0

\* Mr. Amitabh Bhargava ceased to be member of the Risk Management Committee w.e.f. 2nd November, 2023.

# Mr. Deepak Rastogi was appointed as member of Rihs Management Committee w.e.f. 2nd November, 2023.

<sup>1</sup> Not a director but is a member of the Committee.

## SECURITIES ISSUE COMMITTEE

The Company has a Securities Issue Committee comprising of three members, out of which two are directors and both are Independent. The Committee is headed by Mrs. Varsha Purandare, Independent Director.

The Securities Issue Committee specifically looks into various matters relating to the capital raising, ensuring implementation of capital raising, to decide the form / mode of capital raising and to approve the preliminary placement document, to approve, finalise and issue allotment letters and to make application or seek exemption to / from any regulatory or statutory authorities etc., and other allied matters.

During the year under review, no meeting of the Securities Issue Committee was held.

The composition of the Committee as on 31st March, 2024 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held	No. of Meetings attended
Mrs. Varsha Purandare, Chairperson	-	-
Mr. Sujal Anil Shah, Member	-	-
Mr. Amitabh Bhargava, Member <sup>1</sup> & *	-	-
Mr. Deepak Rastogi <sup>1</sup> & #	-	-

\* Mr. Amitabh Bhargava ceased to be member of the Security Issue Committee w.e.f. 2nd November, 2023.

# Mr. Deepak Rastogi was appointed as member of Security Issue Committee w.e.f. 2nd November, 2023.

<sup>1</sup> Not a director but is a member of the Committee.



Mr. Gaurav Munoli, Company Secretary and Compliance Officer acts as Secretary to all the Committees of the Board of Directors.

### SHARE AND DEBENTURE TRANSFER COMMITTEE

The Company has a Share and Debenture Transfer Committee comprising of five committee members. The Committee is headed by Mr. S. C. Mehta.

The Share and Debenture Transfer Committee specifically looks after the proposals of transmissions, transposition of names, issue of split, consolidated share certificates, re-materialisation of shares etc.

The composition of the Share and Debenture Transfer Committee is as below:

Sr. No.	Particulars	No. of Meetings held during tenure	No. of Meetings attended
1	Mr. S. C. Mehta – Chairman	58	58
2	Mrs. Parul S. Mehta – Member	58	58
3	Mr. Amitabh Bhargava** - Member	7	7
4	Mr. Deepak Balwani* - Member	58	58
5	Mr. Deepak Rastogi*\$ - Member	51	51
6	Mr. Gaurav Munoli*\$ - Member	51	51

\* They are not Directors of the Company but are members of the Committee.

# Ceased to be a member w.e.f. 2nd November, 2023.

\$ Appointed as member w.e.f. 2nd November, 2023.

During the year under review, 58 meetings of Share and Debenture Transfer Committee were held.

### RIGHTS ISSUE COMMITTEE

The Company has a Rights Issue Committee comprising of two committee members. The Committee is headed by Mr. Sujal Anil Shah. The Rights Issue Committee was constituted for giving effect to the Rights Issue and also to look after other things related to Rights Issue.

During the year under review, no committee meeting was held. The composition of the Rights Issue Committee as on 31st March, 2024 is as below:

Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. Sujal Anil Shah, Chairman	-	-
Mr. Amitabh Bhargava, Member <sup>1*</sup>	-	-
Mr. Deepak Rastogi, Member <sup>1#</sup>	-	-

<sup>1</sup> Not a director but is a member of the Committee.

\* Ceased to be a member w.e.f. 2nd November, 2023

# Appointed as member w.e.f. 2nd November, 2023

### MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 15th May, 2023, inter alia, to discuss and review.

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

All the Independent Directors were present at the aforesaid meeting except Mr. Jayesh Hirji Shah and Mrs. Varsha Purandare.

### FAMILIARISATION PROGRAMME FOR DIRECTORS

The Directors (Independent and Non-Independent) interact with Senior Management personnel and are provided with the information sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a constituent.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letter of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time.

The information with respect to the nature of industry in which the Company operates and business model of the Company is made known through various presentations on operational performance, strategy, budgets and business forecasts, etc. to the Board of Directors.

The Company has a practice of having an Annual Strategy Meeting, where all Directors and Senior Executives participate and work out short, medium and long term strategies after deliberations, discussion and consensus.

The above initiatives help the Directors understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfill their role as Directors of the Company.

The familiarisation programme for directors is available on the website of the Company at the link- <https://www.dfpc.com/wpcontent/uploads/2017/04/FamiliarisationProgram.pdf>

### PARTICULARS OF SENIOR MANAGEMENT PERSONNEL INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

The Senior Management of the Company as on 31st March, 2024 are as under:

Sr. No.	Category	Designation
1	Mr. Deepak Rastogi <sup>#</sup>	President and Chief Financial Officer
2	Mr. Tarun Sinha	President – Technical Ammonium Nitrate
3	Mr. Shanmuganath M	President – Industrial Chemicals
4	Mr. Mukul Agrawal	President – Manufacturing
5	Mr. Mahesh M	CEO - Creativity
6	Mr. Romy Sahay	President – Human Resources
7	Mr. Pandurang Landge	President – Commercial & Strategic Growth
8	Mr. Amitabh Bhargava <sup>#</sup> \$	President & Chief Strategy Officer
9	Mr. Arun Vijayakumar	President – Projects
10	Mr. Naresh Kumar Piniseti	President – Corporate Governance
11	Mr. Debasish Banerjee	President – Strategic Projects
12	Mr. Samir Biswas	President – Corporate Affairs
13	Mr. Subhash Anand <sup>^</sup>	President – Strategy
14	Mr. Gaurav Umakant Munoli	Company Secretary

<sup>#</sup> Mr. Deepak Rastogi was appointed as President and Chief Financial Officer of the Company w.e.f. 1st August, 2023 in place of Mr. Amitabh Bhargava.

<sup>\$</sup> Mr. Amitabh Bhargava was appointed as President and Chief Strategy Officer of the Company w.e.f. 1st August, 2023 and has resigned from the services of the Company w.e.f. 17th May, 2024.

<sup>^</sup> Mr. Subhash Anand was appointed as President - Strategy w.e.f. 9th May, 2024.

## INFORMATION SUPPLIED TO THE BOARD

In advance of each meeting, the Board is presented with relevant information on various matters related to the operations of the Company, status of ongoing projects which warrant attention of the Directors. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company.

The Company has laid down procedures to inform the Board Members about the risk assessment and its minimization. The Board Members through the Risk Management Committee, are provided with the information on the risks faced by the Company and measures adopted by the Company to mitigate the same.

With a view to leverage technology and moving towards paperless system for preservation of environment, the Company has adopted a web-based application for transmitting Board / Committee meeting agenda. The Directors of the Company receive the agenda in electronic form through this secured application. The application meets the high standards of security and integrity required for storage and transmission of Board / Committee agenda in electronic form.

## BOARD DIVERSITY

The Board of Directors ensure that a transparent Board nomination process is in place. The Company has various business sectors which serve different customer segments. Having members of the Board from different fields is, therefore, important for sustained commercial success of the Company. While selecting the Board members, the Company endeavours to include and make good use of diversity in the skills, qualification, age and professional and industry experience, irrespective of race, caste, creed, religion, disability or gender.

## ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

## REVIEW OF LEGAL COMPLIANCE REPORTS

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

## DIVIDEND DISTRIBUTION POLICY

The Board at its meeting held on 30th June, 2017 adopted a Dividend Distribution Policy for the Company. The same is placed on the Company's website [www.dfpl.com](http://www.dfpl.com).

A physical copy of the Policy will be made available to any shareholder on request by email.

## CODE OF CONDUCT

All Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for FY 2023-24. A declaration to this effect signed by Chairman and Managing Director is given in this Annual Report.

## MAXIMUM TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure in one term of appointment of an Independent Director does not exceed 5 years and for two terms put together does not exceed 10 years.

## CONFIRMATION BY THE BOARD ON FULFILLMENT OF INDEPENDENCE OF INDEPENDENT DIRECTORS

In the opinion of the Board, all the existing Independent Directors, fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and are independent of the Management.

## RESIGNATION OF INDEPENDENT DIRECTOR

During the year under review, no Independent Director has resigned from the Board of the Company.

## DETAILS OF REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY

### REMUNERATION PAID TO EXECUTIVE DIRECTOR

						(Amount In ₹)
Name of Director	Designation	Salary and Allowances	Perks	Commission	Others (PF and Superannuation)	Total
Mr. S. C. Mehta <sup>a</sup>	Chairman & Managing Director	6,20,73,077	2,46,51,304	23,94,00,000	72,00,000	33,33,24,381

<sup>a</sup>Appointment of Managing Director and Chairman is governed by a Service Contract for a period of 5 Years.

### REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

Details of Sitting Fees paid during the Financial Year 2023-24 and Commission to be paid for Financial Year 2023-24 to Non-Executive Directors:

#### Sitting Fees:

The Company pays sitting fees to Non-Executive Directors @ ₹ 75,000/- for attending per Board Meeting, ₹ 50,000/- for attending per Audit Committee Meeting, Nomination and Remuneration Committee Meeting, Project and Funding Committee Meeting and Finance Committee Meeting and ₹ 30,000/- for attending per Meeting of other Committees constituted by the Board.

During the year under review, the details of sitting fees paid to the directors for attending the meetings of Board and Committees are as provided below:

Sr. No.	Name of Director	Sitting Fees (₹ In Lakhs)
1.	Mr. Partha Bhattacharyya	11.85
2.	Mrs. Parul S. Mehta	7.05
3.	Mr. M. P. Shinde	11.45
4.	Mr. Bhuwan Chandra Tripathi	10.7
5.	Mr. Sujal Anil Shah	10.65
6.	Smt. Varsha Purandare	4.6
7.	Mr. Jayesh Shah	5.4
8.	Mr. Sanjay Gupta	6.05
9.	Mr. Sitaram Kunte	6.15
10.	Mr. Terje Bakken	6.15



**Commission:**

The payments of Commission to non-executive directors are based on attendance in the Board and Committee meeting, time devoted for the Company and contribution made in the board processes and discussions.

Further, considering the profits of the Company for the Financial Year ended 31st March, 2023, aggregate commission of ₹ 204.00 Lakhs was paid to non-executive directors.

For the Financial Year ended 31st March, 2024, considering the profits of the Company, commission payable to non-executive directors was approved by the Board at its meeting held on 29th May, 2024. The details of commission to be paid to the non-executive directors are as given below:

Sr. No.	Name of Director	Commission (₹ In Lakhs)
1.	Mr. Partha Bhattacharyya	7.50
2.	Mrs. Parul S. Mehta	7.50
3.	Mr. M. P. Shinde	10.00
4.	Mr. Bhuwan Chandra Tripathi	40.00
5.	Mr. Sujal Anil Shah	20.00
6.	Smt. Varsha Purandare	20.00
7.	Mr. Jayesh Shah	30.00
8.	Mr. Sanjay Gupta	20.00
9.	Mr. Sitaram Kunte	25.00
10.	Mr. Terje Bakken	20.00

The aforesaid commission for the Financial Year 2023-24 will be paid to the non-executive directors after the adoption of accounts by the shareholders at the ensuing Annual General Meeting to be held on 10th September, 2024.

Mr. M P Shinde, Non-Executive Non-Independent Director of the Company is providing certain services in his professional capacity to the Company as per the terms of the contract entered into with him. In his role as Consultant to the Company, he advises on issues relating to Environment, Health and Safety, Plant Operations, Pollution Control and allied activities for the Company's various plants. In accordance with the approval from the Audit Committee and the Board, the Company paid professional fee of ₹ 12,94,000/- to him during FY 2023-24.

The notice period for the directors is mutually agreed between the directors and the Company. No severance fees is payable to any directors. The Company has not issued any stock options to any of the directors. None of the directors are holding any convertible securities of the Company.

Details of Shares held by Non-Executive Directors as on 31st March, 2024:

Sr. No.	Name of Director	Holding
1.	Mrs. Parul S. Mehta	1,409 Equity Shares
2.	Mr. M. P. Shinde	Nil
3.	Mr. Partha Bhattacharyya	Nil
4.	Mr. Bhuwan Chandra Tripathi	Nil
5.	Mr. Sujal Anil Shah	Nil
6.	Smt. Varsha Purandare	Nil
7.	Mr. Jayesh Shah	Nil
8.	Mr. Sanjay Gupta	Nil
9.	Mr. Sitaram Kunte	Nil
10.	Mr. Terje Bakken	Nil

## ANNUAL GENERAL MEETING

Details of special resolutions passed in the last three Annual General Meetings held are provided below:

Particulars	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2022-23
Day	Thursday	Friday	Friday
Date	26th August, 2021	2nd September, 2022	1st September, 2023
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Venue	The Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	The Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	The Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Whether any special resolutions passed	Yes To consider and approve Special Resolution enabling the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible or Partly Convertible Debentures and such other securities as stated in the resolution, including by way of a qualified institutional placement in accordance with Chapter VI of the SEBI (ICDR) Regulations, in one or more tranches not exceeding ₹ 600 Crore.	Yes To consider and approve appointment Mr. Jayesh Hirji Shah (DIN: 05011160) as an Independent Director of the Company.	No

## SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT

Special Resolutions passed through Postal Ballot during the year under review are as under:

Sr. No.	Particulars of Resolution	Votes (No. of Shares & %)		Date of submission of Postal Ballot Results to stock exchange	Details of person who conducted postal ballot exercise
		Category	Category		
1	Re-appointment of Mr. Bhuwan Chandra Tripathi (DIN: 01657366) as an Independent Director of the Company	8,05,99,205 98.9237%	8,76,889 1.0763%	3rd May, 2023	Shri Sridhar Mudaliar, Partner, SVD & Associates, Practicing Company Secretaries (Membership No. FCS 6156, CP No. 2664)
2	Appointment of Mr. Sanjay Gupta (DIN: 05281731) as an Independent Director of the Company	8,14,10,980 99.9201%	65,118 0.0799%		
3	Appointment of Mr. Sitaram Janardan Kunte (DIN: 02670899) as an Independent Director of the Company	7,65,41,881 99.9150%	65,125 0.0850%		
4	Appointment of Mr. Terje Bakken (DIN: 10044096) as an Independent Director of the Company	8,14,11,155 99.9203%	64,937 0.0797%		
5	Re-appointment of Mr. Sailesh C. Mehta (DIN: 00128204) as Chairman and Managing Director of the Company	65,20,0573 80.0193%	1,62,80,456 19.9807%	26th March, 2024	Mr. Ashish Garg (Membership No. FCS 5181, C.P. No. 4423) Practicing Company Secretary
6	Re-appointment of Smt. Varsha Purandare (DIN: 05288076) as an Independent Woman Director of the Company	6,76,61,298 99.6118%	2,63,698 0.3882%		

## SPECIAL RESOLUTION PROPOSED TO BE PASSED THROUGH POSTAL BALLOT

None of the businesses/special resolution proposed to be transacted requires the passing of a Resolution by way of Postal Ballot.

## PROCEDURE FOR POSTAL BALLOT

In compliance with the Circulars issued by the Ministry of Corporate Affairs, the Company had sent Postal Ballot Notices only through electronic mode to those Shareholders whose names appeared in the Register of Member / Record of Depositories and whose email addresses are registered with the Company/Depositories on the cut-off date.

The Company had also published notices in the newspapers for the information of the shareholders. The voting rights were reckoned on the equity shares held by the shareholders as on the record date /cut-off date. The Company has provided e-voting facility for postal ballot.

The postal ballot results were also intimated to the stock exchanges pursuant to Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as displayed on the Company's website [www.dfpc.com](http://www.dfpc.com). The Company has also complied with the procedure for Postal Ballot in terms of the provisions of Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

## DISCLOSURES:

### i. Name & Designation of Compliance Officer:

Mr. Gaurav Munoli, Company Secretary and Compliance Officer.

### ii. Details of Directors seeking appointment / re-appointment at the Annual General Meeting:

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting have been given in the Notice convening the Forty-Fourth Annual General Meeting, forming part of this Annual Report.

### iii. Pecuniary relationship/transaction with non-executive directors:

During the year under review, there was no pecuniary relationship/transactions with any non-executive director of the Company except the payment of professional fee of ₹ 12,94,000 /- to Mr. M. P. Shinde, Non-executive Director during FY 2023-24 as stated above.

### iv. Disclosures on material related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large:

During the year 2023-24, the Company had transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The basis of related party transactions were placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Further, the same were specifically reviewed by firm of independent Chartered Accountants.

During the financial year under review, there were no material related party transactions in terms of amended Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that has a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Indian Accounting Standards has been made in the notes to the Financial Statements. The Board of Directors at its meeting held on 29th March, 2022 (further amended on 25th May, 2022), have approved a revised 'Policy on Materiality of Related Party Transactions' as per amended provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the policy has been uploaded on <https://www.dfpc.com/wp-content/uploads/2017/04/Policy-for-Related-Party-Transactions.pdf>

**v. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years:**

As reported in the Annual Report of Financial Year 2020-21, BSE Limited (BSE) in the month of March, 2021 had levied a fine of ₹ 2,000 because of failure to take / ensure adequate steps for expeditious redressal of investor complaints under Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Company had made a representation to BSE to set aside the fine and the same has been waived by BSE.

Further, BSE and National Stock Exchange of India Limited (NSE) in the month of December, 2021 had levied a fine of ₹ 10,000/- each for non-compliance with Regulation 29(2)/(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

**vi. Disclosures of compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements:**

The Company has complied with all the mandatory requirements of the Corporate Governance.

The Company has adopted the following non-mandatory requirements of the Corporate Governance:

- The Company's statutory audit report is without any modified opinion for the Financial Year ended 31st March, 2024; and
- The Internal Auditor directly reports to the Audit Committee

**vii. Disclosures of relationships between Directors inter-se:**

Mrs. Parul S. Mehta is wife of Mr. S. C. Mehta.

Except as mentioned above, none of the other Directors have any relation inter-se.

**viii. Vigil Mechanism / Whistle Blower policy:**

The Company has adopted Vigil Mechanism / Whistle Blower Policy (Policy) as approved by the Board of Directors. The Policy encourages whistle blowing against unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee to report violation of the applicable laws, regulations and code of conduct. The Audit Committee and Board of Directors review periodically the complaints received by the competent authority under the Policy. The Vigil Mechanism / Whistle Blower Policy has been posted on the website of the Company at <https://www.dfpc.com/uploads/2018/12/WhistleBlowerPolicy.pdf>.

**ix. Regulations for prevention of Insider trading:**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for regulating, monitoring and reporting of trading by Insider for its Directors, Officers and Designated Persons (Insider Trading Policy).

Mr. Gaurav Munoli, Company Secretary is the Compliance Officer under the said Policy.

**x. Material Subsidiaries:**

The material subsidiaries of the Company are Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited) and Performance Chemiserve Limited as defined under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has formulated the Policy on determining Material Subsidiaries and the same has been posted on <https://www.dfpc.com/wp-content/uploads/2020/02/Policy-on-determining-material-subsidiaries.pdf>



**xi. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing regulations:**

During the year under review, the Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement. The funds raised through the aforesaid modes in earlier years have been fully utilized.

**xii. Confirmation by the Board of Directors on acceptance of recommendation of mandatory committees:**

The Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

**xiii. Annual Secretarial Compliance Report:**

SEBI vide its circular dated 8th February, 2019 mandated all the listed entities to obtain Annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR - 3). The Company has received the aforesaid report from CS Ashish Garg, Practicing Company Secretary for the Financial Year 2023-24.

A copy of the Annual Secretarial Compliance Report is enclosed in this Annual Report (Refer Annexure 6). There are no observations in the Annual Secretarial Compliance Report.

**xiv. Certificate from Practicing Company Secretary under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received a certificate from CS Ashish Garg, Practicing Company Secretary, confirming that none of the directors on the board of the Company are debarred or disqualified from being appointed or continuing as director of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

A copy of the aforesaid certificate is enclosed in this Annual Report (Refer Annexure 7). The report is unqualified. There are no observations in the aforesaid report.

**xv. Disclosure of total fees paid to the Statutory Auditor:**

For the financial year 2023-24, ₹ 42.00 Lakhs was paid to P G BHAGWAT LLP, Statutory Auditors of the Company. Neither the aforesaid Statutory Auditor nor the entities in the network firm in which the statutory auditor is a part, provided any services to the subsidiary companies of the Company.

**xvi. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The necessary disclosure on the subject have been already made in the Board's Report.

**xvii. Commodity price risk or foreign exchange risk and hedging activities:**

**Foreign Exchange Risk:**

On the foreign exchange risk, the Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward / options contracts.

**Commodity Risk:**

As a manufacturing company of Industrial Chemicals and Fertilisers, Company is exposed to risks due to fluctuations in prices of its key raw material (Natural Gas / LNG, Propylene, Phosphoric Acid, Ammonia, Muriate of Potash, etc.) used in operations. Prices of all these raw materials are linked to or derived from international market which are volatile

in nature. Company follows Board approved Commodity Risk management policy for hedging price risk of major raw materials wherever possible. The policy establishes commodity risk management framework and defines the procedures and controls for effective management of risks that arises through company's manufacturing operations.

**xviii. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

None, except as disclosed in notes to the financial statements.

**xix. Details of material subsidiaries of the company:**

<b>Name of Material Subsidiaries</b>	<b>Date of Incorporation</b>	<b>Place of Incorporation</b>	<b>Statutory Auditor</b>	<b>Date of appointment of Statutory Auditor</b>
Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited)	21st January, 1987	Ahmedabad, Gujarat	M/s. B. K. Khare & Co., Chartered Accountants	Appointed on 21st September, 2017 for first term and re-appointed on 10th August, 2021 for second term.
Performance Chemiserve Limited	1st March, 2006	Pune, Maharashtra	M/s. B. K. Khare & Co., Chartered Accountants	Appointed on 13th August, 2018 for first term and re-appointed on 9th August, 2023 for second term.

**MEANS OF COMMUNICATION**

The Company publishes its financial results every quarter in leading newspapers such as Sakal or Loksatta and Indian Express or Financial Express.

The Company has its own website, [www.dfpc.com](http://www.dfpc.com), which contains all important public domain information including press releases, presentations, if any, made to the analysts and institutional investors. The website contains information as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including details of the contact persons of the Company and of the share transfer agent of the Company, shareholding pattern etc.

## General Shareholder Information

1	<b>Annual General Meeting - Day, Date, Time and Venue</b>	Tuesday, 10th September, 2024 at 11.00 a.m. The Company would be conducting meeting through video conferencing ('VC')/ other audio-visual means ('OAVM') pursuant to the MCA circulars. For details, please refer to the Notice of 44th AGM.
2	<b>Financial year / Calendar</b>	
	<b>Results for first quarter ending 30th June, 2024</b>	Within 45 days from the end of the quarter
	<b>Results for second quarter ending 30th September, 2024</b>	Within 45 days from the end of the quarter
	<b>Results for third quarter ending 31st December, 2024</b>	Within 45 days from the end of the quarter
	<b>Results for financial year ending 31st March, 2025</b>	Within 60 days from the end of the financial year
3	<b>Date of Book Closure</b>	Wednesday, 4th September, 2024 to Tuesday, 10th September, 2024 (both days inclusive)
4	<b>Dividend Payment Date</b>	On or before 9th October, 2024
5	<b>Registered Office and CIN</b>	Sai Hira, Survey No.93, Mundhwa, Pune - 411 036. CIN: L24121MH1979PLC021360
6	<b>Phone, E-mail</b>	Phone: (020) 6645 8000 Email: <a href="mailto:investorgrievance@dfpcl.com">investorgrievance@dfpcl.com</a> Website: <a href="http://www.dfpcl.com">www.dfpcl.com</a>
7	<b>Plant Location</b>	MIDC, Industrial Area, Taloja, District: Raigad, Maharashtra Dahej, Taluka: Vagra, State: Gujarat <b>Plants of Subsidiary:</b> MIDC, Industrial Area, Taloja, District: Raigad, Maharashtra, Village: Ponnada, Etchelra Mandalam, Srikakulam, Andhra Pradesh - 532 408 Plot No. 47, HSIIDC, Industrial Estate, Refinery Road, Panipat, Haryana- 500 002
8	<b>Registrar &amp; Share Transfer Agent (RTA) and Address for Investors' Correspondence</b>	KFin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
9	<b>Phone, E-mail of RTA</b>	Toll Free No.: 1 800 309 4001 Phone: (040) 6716 2222 Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>
10	<b>Listing on Stock Exchanges</b>	a) BSE Limited (BSE): 1st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001; and b) National Stock Exchange of India Limited (NSE) : Exchange Plaza, 5th Floor Plot No. C-1, G Block Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Annual Listing fee for financial year 2023-24 has been paid to both the Exchanges
11	<b>Stock Code</b>	BSE Limited (BSE): 500645 National Stock Exchange of India Limited (NSE): DEEPAKFERT
12	<b>ISIN</b>	INE501A01019

**MARKET PRICE DATA FOR FY 2023-24:**

MONTH	SHARE PRICE (in ₹)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2023	669.05	548.05	61209.46	58793.08
May, 2023	614.95	531.45	63036.12	61002.17
June, 2023	594.40	537.5	64768.58	62359.14
July, 2023	620.40	536.05	67619.17	64836.16
August, 2023	614.75	538.00	66658.12	64723.63
September, 2023	674.95	602.00	67927.23	64818.37
October, 2023	696.95	594.05	66592.16	63092.98
November, 2023	647.50	584.90	67069.89	63550.46
December, 2023	715.00	624.70	72484.34	67149.07
January, 2024	707.00	611.80	73427.59	70001.60
February, 2024	625.00	484.00	73413.93	70809.84
March, 2024	529.10	453.20	74245.17	71674.42

Distribution of shareholding as on 31st March, 2024: 2,38,094 shareholders hold 12,62,37,825 equity shares of ₹10/- each.

**DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2024**

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 5000	2,37,136	99.60	3,10,97,924	24.63
2	5001 - 10000	477	0.20	34,09,362	2.70
3	10001 - 20000	257	0.11	37,34,022	2.96
4	20001 - 30000	72	0.03	18,02,692	1.43
5	30001 - 40000	39	0.02	13,56,942	1.07
6	40001 - 50000	21	0.01	9,64,008	0.76
7	50001 - 100000	41	0.02	28,51,983	2.26
8	100001 and above	51	0.02	8,10,20,892	64.18
	<b>Total</b>	<b>2,38,094</b>	<b>100</b>	<b>12,62,37,825</b>	<b>100.00</b>

**SHARE TRANSFER SYSTEM:**

All transmission, transposition, issue of duplicate share certificate(s), etc., as well as requests for dematerialisation/ rematerialisation are processed at KFin. The work related to dematerialisation/ rematerialisation is handled by KFin through connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited ('CDSL').

As per the notifications/ circulars/ guidelines issued by SEBI from time to time, the Company shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, exchange/ sub-division/ split/ consolidation of securities, transmission/ transposition etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholder fails to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat Account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat Account on submission of necessary documentation.



Details of shares transferred to/ released from Suspense Escrow Demat Account during the year under review are as under:

Particulars	No. of shares
Shares lying in Suspense Escrow Demat Account as on 1st April, 2023	4,200
Shares transferred to Suspense Escrow Demat Account during FY 2023-24	-
Shares claimed back from Suspense Escrow Demat Account during FY 2023-24	-
Shares lying in Suspense Escrow Demat Account as on 31st March, 2024	4,200

### DEMATERIALIZATION OF SHARES:

The shares of the Company are traded in dematerialised form. As on 31st March, 2024, 12,26,93,586 Equity Shares (97.19% of paid-up capital) held by 2,19,950 shareholders are in dematerialised form.

Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail numerous benefits, including but not limited to easy liquidity, ease of trading and transfer, savings in stamp duty, and elimination of any possibility of loss of documents.

### OUTSTANDING GDRS, ADRS, WARRANTS OR ANY CONVERTIBLE INSTRUMENTS ETC.:

During the year under review, there were no outstanding GDRS, ADRS, Warrants or any other convertible instruments.

### ISSUE OF EQUITY SHARES TO QUALIFIED INSTITUTIONAL BUYERS

During the year under review, no shares were allotted shares to Qualified Institutional Buyers.

### UPDATION OF BANK DETAILS:

Members who wish to update changes, if any, in their bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. may contact:

- For shares held in electronic form: to their Depository Participants ("DPs")
- For shares held in physical form: to the Company/RTA in prescribed Form ISR-1 and other forms as per various circulars issued by SEBI. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.

### TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF, within 30 days of such shares becoming due for transfer.

Various steps are being taken on an ongoing basis to reach out to shareholder, through emails, and other means, requesting them to claim shares which are due for transfer to IEPF. In addition, the Company also publishes a notice in newspapers intimating the members regarding the said transfer.

During the year under review, the Company transferred **1,27,289** equity shares of the face value of ₹ 10 each in respect of **1,417** shareholders to the Demat Account of the IEPF Authority held with CDSL.

Category	Number of holders	No. of shares
Physical	1,337	1,20,675
NSDL	53	3,721
CDSL	27	2,893
<b>Total</b>	<b>1,417</b>	<b>1,27,289</b>

The dividend and shares which have been transferred to IEPF can be claimed by the shareholders by following the procedure as prescribed by the Ministry of Corporate Affairs, which is available on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in)

### UPDATION OF PAN, KYC AND NOMINATION DETAILS:

As per circulars issued by SEBI from time to time, it is mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details before getting any investor service request processed. Security holders holding securities in physical form, whose folio(s) do not have PAN, KYC or Nomination/Opt-out of Nomination, shall be eligible for dividend in respect of such folios, only through electronic mode with effect from 1st April, 2024. Members may refer to the FAQs provided by SEBI in this regard, for investor awareness, on its website at [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan2024/1704433843359.pdf).

Members who are yet to update details in their physical folios are, therefore, urged to furnish PAN, KYC and Nomination/Opt-out of Nomination by submitting the prescribed forms duly filled, to the RTA by email from their registered email id to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to KFin Technologies Limited at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana, India - 500 032.

In accordance with the SEBI circulars, the Company has sent/will be sending out intimations to those Members, holding shares in physical form, whose PAN, KYC and/or Nomination details are not updated, requesting them to update the details.

### STANDARD OPERATING PROCEDURES (SOP) FOR DISPUTE RESOLUTION UNDER THE STOCK EXCHANGE ARBITRATION MECHANISM FOR DISPUTES BETWEEN A LISTED COMPANY AND/OR REGISTRARS TO AN ISSUE AND SHARE TRANSFER AGENTS (RTAS) AND ITS SHAREHOLDER (S)/INVESTOR (S)

To enable the Shareholders to raise any dispute against the Company or its RTA on delay or default in processing any investor services related request, SEBI has provided an option of 'Arbitration with Stock Exchanges (NSE and BSE)' as a Dispute Resolution Mechanism.

### ONLINE DISPUTE RESOLUTION (ODR) MECHANISM

SEBI vide Circular no. SEBI/HO/OIAE/ OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023 (subsequently amended as on December 20, 2023 and August 4, 2023) has specified that a shareholder shall first take up his/her/their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal. Shareholders are requested to take note of the same.

### CREDIT RATING

During the year under review, ICRA Limited has assigned the following ratings:

Type of Instruments	Ratings Action
Short Term	A1 +
Long Term	AA- (Stable)

### DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

In the Financial Year 2020-21, the Company had offered its equity shares on rights basis to eligible shareholders and in compliance with the relevant SEBI Circulars and Regulations, some of the shares were transferred to demat suspense account opened by the Company for this purpose.

As per Schedule V (F) of the SEBI LODR Regulations, 2015, the Company reports the following details in respect of equity shares lying in the demat suspense account.

Sr. No.	Particulars	No. of Shareholders	Outstanding Equity Shares
1.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	23	739
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	-	-
3.	Number of shareholders to whom shares were transferred from suspense account during the year	-	-
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	23	739

The voting rights on the aforesaid shares lying in demat suspense account shall remain frozen till the rightful owner of such shares claim the shares.

### ANNUAL GENERAL MEETING TO BE CONDUCTED THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO-VISUAL MEANS (“OAVM”)

The Ministry of Corporate Affairs (“MCA”) vide its general circular dated 25th September, 2023 read with MCA circulars dated 28th December, 2022, 5th May, 2022, 13th January, 2021, 5th May, 2020, 8th April, 2020 and 13th April, 2020 and Securities and Exchange Board of India (“SEBI”) Vide its circular dated 7th October, 2023 (hereinafter referred to as “Circulars”) permitted companies to hold their general meetings through video conferencing (VC) or other audio visual means (OAVM) for the year 2024.

Accordingly, the Board of Directors have given their approval for convening the 44th Annual General Meeting of the Company through Video Conferencing and / or other audio-visual means (OAVM) (hereinafter referred to as “VC/OAVM”). For more details, shareholders are requested to go through the Annual General Meeting Notice.

Further, pursuant to the relevant MCA and SEBI circulars, Annual Reports are being sent through e-mail only.

To receive shareholders’ communications through electronic means, including Annual Reports and Notices, members are requested to kindly register / update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with the RTA by sending an email along with the KYC forms with supporting documents at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

### DECLARATION

As per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2023-24.

Place: Pune  
Dated : 29th May, 2024

**S. C. Mehta**  
Chairman & Managing Director

## **INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

The Members

Deepak Fertilisers And Petrochemicals Corporation Limited  
Survey No. 93, Ghorpadi Road,  
Sai Hira, Mundhwa,  
Pune, Maharashtra 411036

1. This certificate is issued in accordance with the terms of our engagement letter dated 4th September 2023.
2. The report contains details of compliance of conditions of Corporate Governance by Deepak Fertilisers and Petrochemicals Corporation Limited ("the Company"), for the year ended March 31, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### **MANAGEMENT'S RESPONSIBILITY FOR THE DECLARATION:**

3. Compliance with the terms and conditions of the Listing Regulations relating to corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.
4. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### **AUDITOR'S RESPONSIBILITY:**

5. Our responsibility is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2024.
7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special purposes' (Revised 2016) and Guidance Note on Certification of Corporate Governance', both issued by Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



**OPINION:**

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.
10. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**RESTRICTION ON USE:**

11. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For P G BHAGWAT LLP**

Chartered Accountants

Firm Registration Number: 101118W / W100682

**Abhijeet Bhagwat**

Partner

Membership Number: 136835

UDIN: 24136835BKBGWD4929

Place : Pune

Date : May 29, 2024

# Standalone Financial Statements



# Independent Auditors' Report

To the Members of Deepak Fertilisers And Petrochemicals Corporation Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the Standalone Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2024, 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 for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

### Contingent Liabilities

The Company operates in various states within India, exposing it to a variety of different Central and State laws and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Company's tax positions have been challenged by the authorities on a range of matters. Moreover, resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation. The Company applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the Standalone Financial Statements. These estimates could change over time as new facts emerge and as each matter progresses. Refer note 41, 46 and note 48 to the Standalone Financial Statements. Accordingly, we identified Contingent Liabilities as a key audit matter.

### 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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.

### 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.

### Principle Audit Procedures

- i. Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations;
- ii. Obtained the Company's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2023-24 and post year-end status of litigations;
- iii. Inquired with the Company's external legal counsels, where applicable and in case of material contingent liabilities, to understand the Company's assessment of the litigations and claims;
- iv. Evaluated the Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Company's past estimates/judgements;
- v. Performed test checks on the provision made/contingent liabilities/other significant litigations/disclosures made in the Standalone Financial Statements; and
- vi. Assessed the adequacy of the disclosures made by the Company relating to contingent liabilities in the Standalone Financial Statements.

## OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained 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.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 controls that we identify during our audit.

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 i) (vi) below on reporting under Rule 11(g).
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 2 (b) above and refer to our comment in paragraph 2(i)(vi) below, on reporting under rule 11 (g).
  - g) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

- h) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/ provided by the Company to its directors for the current year is in accordance with the provisions of section 197 of the Act and remuneration paid/ provided to directors is not in excess of the limit laid down under this section.
- i) 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:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 41.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.
- (iii) There is no delay in amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024 except the following:

Year	Type of dividend	Dividend unpaid in Lakhs	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards to ownership of shares which remains unresolved

- (iv) (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the

understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.
- (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) Based on our examination which included test checks, the Company, has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail (edit log) facility/feature

was enabled at the database level to log any direct changes. During the course of our audit, so far it relates to audit trail in respect of transactions, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration Number: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership Number: 136835

UDIN: 24136835BKBGVP5676

Place : Pune

Date : 29 May, 2024

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment by which its property, plant and equipment are verified

in a phased manner over a period of three years. In our opinion, the periodicity of physical verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program majority of the property, plant and equipment were verified during the year and according to the information and explanation provided to us by the Management no material 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, title deeds of immovable properties as disclosed in the Standalone Financial Statements (refer note 3) are held in the name of the Company except as specified below:

Description of Property	Gross carrying Value (₹ Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of Company
Land	15,280	Yerrowda Investments Limited	No, it is Joint Operation	From 1998	Economic rights held by the Company

- (d) The Company has chosen cost model for its property, plant and equipment (including Right to Use Assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right to Use Assets) or intangible assets does not arise.
- (e) According to the information and explanations provided to us, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate. In respect of good-in-transit, subsequent goods delivery documents have been verified by the management. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the

aggregate for each class of inventory and have been properly dealt with in the books of account.

- (b) According to the information and explanations provided to us, 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.

The Management of the Company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the Company with their banks or financial institutions based on the sanction terms. Based on our procedures and in our opinion the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement/reconciled with the unaudited books of account of the Company.

- iii. According to the information and explanations provided to us, the Company has made investments in a subsidiary company and mutual funds during the year. Further, during the year, the Company has provided guarantee and has granted unsecured loans to its subsidiary companies.



- (a) According to the information and explanations provided to us, during the year, the Company has provided loans and stood guarantee for its subsidiary companies.

**(A) & (B)**

Aggregate amount given during the year (₹ Lakhs)	Balance outstanding at the balance sheet date (₹ Lakhs)	Subsidiaries, joint ventures, associates and others	Nature of transaction
1,03,780	36,533	Wholly owned subsidiary companies	Unsecured Loan
1,15,246	2,81,539	Subsidiary and step-down subsidiaries	Corporate Guarantees
-	1,786	Other Party	Corporate Guarantee

- (b) According to the information and explanations provided to us and based on our review of the terms, conditions and circumstances, the investments made and guarantees provided and the terms and conditions of the grant of loans are not prejudicial to the Company's interest.
- (c) According to the information and explanations provided to us, in respect of loans, the schedule of repayment of principal and payment of interest have been stipulated. The repayments or receipts are as per the schedule stipulated.
- (d) According to the information and explanations provided to us and based on the terms and conditions of the loans, no amount is overdue.
- (e) According to the information and explanations provided to us, no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) According to the information and explanations provided to us, the Company has granted loans repayable on demand of ₹ 167 Lakhs in current year. The outstanding balance is ₹ 159 Lakhs. These have been given to related parties as defined in clause (76) of section 2 of the Act (refer note 12 to the Standalone Financial Statement) which are 0.43 % of the total loans to related parties.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. Accordingly, reporting on clause 3 (v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, during the year, the Company did not have any dues on account of Cess.
- According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above were in arrears as at 31 March 2024, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of statutory dues referred in sub clause (a) above as at 31 March 2024, which have not been deposited by the Company on account of disputes, except for the following:

Name of Statute	Nature of Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income tax demands	2	-	Assessment Year 1993-1994	Income Tax Appellate Tribunal
The Income Tax Act 1961	Income tax demands	11	-	Assessment Years 1993-1994 and 2003-2004	Income Tax Assessing Officer
The Income Tax Act 1961	Income tax demands	5,303	1,901	Assessment Years 1997-1998, 2013-2014 to 2015-2016, 2019 -2020 and 2020-21	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Excise duty demands	1,355	20	Financial Years 2007-2008 to 2010-2011 and 2014-2015	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty demands	893	-	Financial Years 2008-2009 to 2009-2010	Supreme Court
Finance Act, 1994 (Service Tax)	Service tax demands	431	18	Financial Year 2015-2016	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax demands	1,881	-	Financial Years 2006-2007 to 2011- 2012	Bombay High Court
Finance Act, 1994 (Service Tax)	Service tax demands	142	7	Financial Years 2016-2017 and 2017-2018	Customs Excise and Service Tax Appellate Tribunal, Ahmedabad
The Bombay Sales Tax Act, 1959	Sales tax demands	72	-	Financial Year 2004-2005	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax demands	2,440	529	Financial Years 2004-2005 to 2006-2007 and 2010-2011 to 2013-2014	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax demands	330	74	Financial Year 2014-2015	Joint Commissioner of Appeals of Sales Tax, Pune
The Maharashtra Value Added Tax Act, 2002	Sales tax demands	890	61	Financial Years 2005-2006, 2011-2012 and 2012-2013	Maharashtra Sales Tax Tribunal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Sales tax demands	279	14	Financial Year 2016-2017	Joint Commissioner Appeals
The Central Sales Tax Act, 1956	Sales tax demands	478	33	Financial Year 2015-2016	Joint Commissioner Appeals
The Central Sales Tax Act, 1956	Sales tax demands	1,596	86	Financial Year 2016-2017	Joint Commissioner Appeals
The Maharashtra Sales Tax on Transfer of Right to Use any Goods for any purpose 1985	Lease tax on crane hire charges	00	-	Financial Year 1990-1991	Dy. Commissioner of Sales Tax, Pune

Name of Statute	Nature of Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Maharashtra Tax on the Entry of Goods in Local Areas of Act, 2002	Entry tax on natural gas procured from outside Maharashtra	4,663	1,635	Financial Years 2012-2013 to 2016-2017	Maharashtra Sales Tax Tribunal, Mumbai
Custom Tariff Act, 1975	Tariff heading classification	68	7	Financial Years 2005-2006 to 2009-2010	Deputy Commissioner of Customs (Preventive) Alibaug Division, Marine & Preventive Wing Mumbai
Custom Tariff Act, 1975	Custom Valuation rules	159	69	Financial Years 2012-2013 to 2015-2016	The Directorate of Revenue Intelligence, Kolkata
The Central Sales Tax Act, 1956	Sales Tax demand	240	23	Financial Year 2017-2018	Joint Commissioner Appeals, Maharashtra
The Andhra Pradesh VAT Act, 2005	Sales Tax demand	2,298	-	Financial years 2014-2015 to 2016-2017	Commercial Tax Dept, Govt of Andhra Pradesh
The Haryana VAT Act, 2003	Sales Tax demand	4	4	Financial Year 2017-2018	Excise and Taxation Officer, Panchkula
Goods & Service Tax Act, 2017	GST demands	10,314	404	Financial Year 2017-2018	The Commissioner (Appeals), Goods & Service Tax, Pune (Maharashtra)
Goods & Service Tax Act, 2017	GST demands	1,338	122	Financial Year 2017-2018	The Commissioner (Appeals), Goods & Service Tax, Rajkot. (Gujarat)
Goods & Service Tax Act, 2017	GST demands	38	-	Financial Year 2018-2019	The Commissioner (Appeals), Goods & Service Tax, Pune

#Amount disclosed above includes interest and penalty, wherever applicable.

Note: Zero represents amounts below rupees fifty thousand.

viii. According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) Based on our audit procedures; in our opinion and according to the information and explanations

given to us, the Company has not defaulted in repayment of loans or borrowings or interest thereon to any lender.

(b) According to the information and explanations given to us, our audit procedures and as represented to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) According to the information and explanations given to us and in our opinion, term loans availed by the Company in the current year have been prima facie; applied for the purpose for which they were obtained.
- (d) According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements 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 financial statements of the Company, we report that the Company has not taken any funds (borrowings) from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (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 subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on clause x(b) is not applicable.
- xi. (a) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or no fraud on the Company has been noticed or reported to us during the year.
- (b) According to information and explanation provided to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) According to information and explanation provided to us and based on our audit procedures and enquiry with the vigil mechanism committee, there were no whistle-blower complaints received by the Company during the year and up to the date of this report.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting on clause 3 (xii) (a), (b) & (c) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of transactions have been disclosed in the Standalone Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer note 40(b).
- xiv. (a) According to the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration the reports made available to us by the management of the Internal Auditors for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, reporting on clause 3(xv) of the Order is not applicable.
- xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, reporting on clause 3(xvi) (b) & (c) of the Order is not applicable.
- (b) According to the information and explanations given to us, there are no Core Investment Company within the Group.
- xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.



- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting on 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 realization of financial assets and payment of financial liabilities, other information accompanying the 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 Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) According to the information and explanations provided to us, an amount of ₹ 399 Lakhs remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to an ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration Number: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership Number: 136835

UDIN: 24136835BKBGVP5676

Place : Pune

Date : 29 May, 2024

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2 (G) UNDER THE HEADING, "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT ON EVEN DATE:

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the Standalone Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 the Standalone 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 the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 the Standalone Financial Statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

A Company's internal financial controls with reference to the Standalone 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 the Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 THE STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to the Standalone 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 the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at 31 March 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of 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.

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration Number: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership Number: 136835

UDIN: 24136835BKBGVP5676

Place : Pune

Date : 29 May, 2024

# Balance Sheet

as at 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	72,678	70,033
Capital work-in-progress	4	2,790	1,721
Investment property	5	19,231	19,642
Right of use assets	6	10,145	10,695
Other intangible assets	7	2,707	3,077
Intangible assets under development	8	526	182
Financial assets			
i. Investments	9	1,65,434	1,85,037
ii. Loans	12	35,874	-
iii. Other financial assets	15	6,712	5,664
Income tax assets (net)		10,804	12,170
Other non-current assets	16	12,022	8,561
<b>Total non-current assets</b>		<b>3,38,923</b>	<b>3,16,782</b>
<b>Current assets</b>			
Inventories	17	12,635	14,013
Financial assets			
i. Investments	10	8,613	13,429
ii. Trade receivables	11	28,098	16,103
iii. Cash and cash equivalents	13	2,816	2,499
iv. Other bank balances	14	1,356	1,312
v. Loans	12	702	13,802
vi. Other financial assets	15	3,895	4,408
Other current assets	18	3,325	2,429
<b>Total current assets</b>		<b>61,440</b>	<b>67,995</b>
<b>Total assets</b>		<b>4,00,363</b>	<b>3,84,777</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	19	12,624	12,624
Other equity	20	3,04,934	2,86,863
<b>Total equity</b>		<b>3,17,558</b>	<b>2,99,487</b>

# Balance Sheet

as at 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
i. Borrowings	21	25,604	23,071
ii. Lease liabilities	6	1,867	1,342
iii. Other financial liabilities	23	1,782	1,533
Provisions	24	3,152	2,711
Deferred tax liabilities (net)	26	4,344	3,674
<b>Total non-current liabilities</b>		<b>36,749</b>	<b>32,331</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	22	7,260	10,774
ii. Lease liabilities	6	1,152	1,386
iii. Trade payables	25		
(a) total outstanding dues of micro and small enterprises		1,584	1,676
(b) total outstanding dues of creditors other than micro and small enterprises		16,412	25,221
iv. Other financial liabilities	23	10,504	6,132
Other current liabilities	27	3,911	3,266
Provisions	24	4,617	4,504
Current tax liabilities (net)		616	-
<b>Total current liabilities</b>		<b>46,056</b>	<b>52,959</b>
<b>Total liabilities</b>		<b>82,805</b>	<b>85,290</b>
<b>Total equity and liabilities</b>		<b>4,00,363</b>	<b>3,84,777</b>
Material accounting policies	1-2		
The accompanying notes form an integral part of the financial statements	3-51		

**As per our report of even date attached**

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

Place: Pune  
Date: 29 May 2024

**For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited**

**S. C. Mehta**  
Chairman and Managing Director  
DIN: 00128204  
Place: Pune

**Sujal Anil Shah**  
Director  
DIN: 00058019

Place: Mumbai  
Date: 29 May 2024

**Deepak Rastogi**  
President & CFO  
Place: Pune

**Gaurav Munoli**  
Company Secretary  
Membership No: A24931

Place: Pune



# Statement of Profit and Loss

year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Income</b>			
Revenue from operations	28	1,92,252	2,34,982
Other income	29	19,929	13,404
<b>Total income</b>		<b>2,12,181</b>	<b>2,48,386</b>
<b>Expenses</b>			
Cost of materials consumed	30	1,20,286	1,57,497
Purchases of stock-in-trade	31	6,743	20,146
Changes in inventories of finished goods & stock-in-trade	32	2,516	(2,205)
Employee benefits expense	33	11,616	7,406
Finance costs	34	3,952	5,112
Depreciation and amortisation expense	35	8,072	6,693
Other expenses	36	17,653	14,723
<b>Total expenses</b>		<b>1,70,838</b>	<b>2,09,372</b>
<b>Profit before tax</b>		<b>41,343</b>	<b>39,014</b>
<b>Tax expense</b>			
Current tax	45	9,120	8,855
Deferred tax (credit)/charge	26	886	1,025
<b>Total tax expense</b>		<b>10,006</b>	<b>9,880</b>
<b>Profit for the year</b>		<b>31,337</b>	<b>29,134</b>
<b>Other comprehensive income ('OCI')</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligations		(750)	68
Income tax relating to these items	26	189	(18)
<b>Total (A)</b>		<b>(561)</b>	<b>50</b>
<i>Items that will be reclassified subsequently to profit or loss</i>			
Cash Flow hedge		(108)	(1,357)
Changes in fair value of investments carried at fair value through OCI		-	-
Income tax relating to these items	26	27	342
<b>Total (B)</b>		<b>(81)</b>	<b>(1,015)</b>
<b>Other comprehensive income for the year (A+B), net of tax liability</b>		<b>(642)</b>	<b>(965)</b>
<b>Total comprehensive income for the year</b>		<b>30,695</b>	<b>28,169</b>
Earnings per equity share of ₹ 10 each	36(c)		
i) Basic (in ₹)		24.82	23.52
ii) Diluted (in ₹)		24.82	23.52
Material accounting policies	1-2		
The accompanying notes form an integral part of the financial statements	3-51		

As per our report of even date attached

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership No.: 136835

Place: Pune

Date: 29 May 2024

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

**S. C. Mehta**

Chairman and Managing Director

DIN: 00128204

Place: Pune

**Sujal Anil Shah**

Director

DIN: 00058019

Place: Mumbai

Date: 29 May 2024

**Deepak Rastogi**

President & CFO

Place: Pune

**Gaurav Munoli**

Company Secretary

Membership No: A24931

Place: Pune

# Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flow from operating activities</b>		
Profit before tax	41,343	39,014
Adjustments for		
Depreciation and amortisation expense	8,072	6,693
(Profit)/Loss on sale of property, plant and equipment	(5,283)	(10)
Provision for doubtful trade receivables	118	406
Bad Debts	118	53
Income on financial guarantee	(2,095)	(864)
Gain on sale of investments	(468)	(741)
Unwinding of discount on security deposits	(255)	(174)
Changes in fair value of financial assets through profit or loss	(12)	(29)
Other adjustment	-	(497)
Interest income	(11,287)	(9,437)
Finance costs	3,952	5,541
Unrealised foreign exchange fluctuations loss/(profit) (net)	(109)	13
<b>Cash generated from operations before working capital changes</b>	<b>34,094</b>	<b>39,968</b>
Change in trade receivables	(12,231)	(4,932)
Change in inventories	1,378	(1,581)
Change in trade payables	(8,792)	332
Change in other financial liabilities	4,601	(109)
Change in other financial assets	1,251	112
Change in other non-current assets	(591)	(210)
Change in other current assets	(896)	1,627
Change in provisions	(196)	(633)
Change in other current liabilities	645	661
<b>Cash generated from operations</b>	<b>19,263</b>	<b>35,235</b>
Income taxes paid (net)	(7,138)	(10,525)
<b>Net cash generated from operating activities</b>	<b>12,125</b>	<b>24,710</b>
<b>Cash flows from investing activities</b>		
Purchase of compulsorily convertible debentures	(26,735)	-
Redemption of Optionally converted debentures	50,000	-
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(12,868)	(3,849)
Proceeds from sale of property, plant and equipment	5,800	67

# Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
Proceeds from sale of investments (net)	5,296	18,089
Loans to subsidiaries (net)	(22,774)	(17,297)
Loans to employees and other loans given	-	(6)
Fixed deposit placed (net)	(1,200)	(831)
Interest received	9,624	7,818
<b>Net cash generated from investing activities</b>	<b>7,143</b>	<b>3,991</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(22,434)	(12,117)
Availment of long term borrowings	21,452	-
Payment of lease liability (net)	(1,593)	(1,039)
Interest paid	(3,733)	(5,782)
Dividends paid	(12,643)	(10,494)
<b>Net cash (used in) financing activities</b>	<b>(18,951)</b>	<b>(29,432)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>317</b>	<b>(731)</b>
Cash and cash equivalents at the beginning of the year	2,499	3,230
<b>Cash and cash equivalents at end of the year</b>	<b>2,816</b>	<b>2,499</b>

Refer Note 36(b) for cash outflow relating to CSR activities

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

## Reconciliation of cash and cash equivalents as per the Cash flow statement

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash and cash equivalents at the end of year	2,816	2,499
Bank overdraft	-	-
	<b>2,816</b>	<b>2,499</b>

### As per our report of even date attached

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership No.: 136835

Place: Pune

Date: 29 May 2024

### For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

**S. C. Mehta**

Chairman and Managing Director

DIN: 00128204

Place: Pune

**Sujal Anil Shah**

Director

DIN: 00058019

Place: Mumbai

Date: 29 May 2024

**Deepak Rastogi**

President & CFO

Place: Pune

**Gaurav Munoli**

Company Secretary

Membership No: A24931

Place: Pune

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## A. EQUITY SHARE CAPITAL

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Balance at the beginning of the year</b>	12,624	12,059
Changes due to prior period errors	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>12,624</b>	<b>12,059</b>
<b>Changes in equity share capital during the year</b>		
Shares issued by way of conversion of Foreign currency convertible bonds (FCCB)	-	565
<b>Balance at the end of the year</b>	<b>12,624</b>	<b>12,624</b>

## B. OTHER EQUITY

	Reserves and surplus						Items of Other Comprehensive Income (OCI)		Total	
	Securities premium	Capital redemption reserve	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remeasurement of defined benefit plans	Fair value through OCI		Effective portion of Cash Flow Hedges
<b>Balance as at 1 April 2022</b>	89,038	150	4,167	1,504	17,710	1,48,423	(1,303)	(97)	1,016	2,60,608
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>89,038</b>	<b>150</b>	<b>4,167</b>	<b>1,504</b>	<b>17,710</b>	<b>1,48,423</b>	<b>(1,303)</b>	<b>(97)</b>	<b>1,016</b>	<b>2,60,608</b>
Profit for the year	-	-	-	-	-	29,134	-	-	-	29,134
Other comprehensive income	-	-	-	-	-	-	50	-	(1,015)	(965)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,134</b>	<b>50</b>	<b>-</b>	<b>(1,015)</b>	<b>28,169</b>
Conversion of foreign currency convertible bonds	10,443	-	-	(1,504)	-	-	-	-	-	8,939
Dividend paid	-	-	-	-	-	(10,853)	-	-	-	(10,853)
<b>Balance as at 01 April 2023</b>	<b>99,481</b>	<b>150</b>	<b>4,167</b>	<b>-</b>	<b>17,710</b>	<b>1,66,704</b>	<b>(1,253)</b>	<b>(97)</b>	<b>1</b>	<b>2,86,863</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>99,481</b>	<b>150</b>	<b>4,167</b>	<b>-</b>	<b>17,710</b>	<b>1,66,704</b>	<b>(1,253)</b>	<b>(97)</b>	<b>1</b>	<b>2,86,863</b>
Profit for the year	-	-	-	-	-	31,337	-	-	-	31,337
Other comprehensive income	-	-	-	-	-	-	(561)	-	(81)	(642)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,337</b>	<b>(561)</b>	<b>-</b>	<b>(81)</b>	<b>30,695</b>
Dividend paid	-	-	-	-	-	(12,624)	-	-	-	(12,624)
<b>Balance as at 31 March 2024</b>	<b>99,481</b>	<b>150</b>	<b>4,167</b>	<b>-</b>	<b>17,710</b>	<b>1,85,417</b>	<b>(1,814)</b>	<b>(97)</b>	<b>(80)</b>	<b>3,04,934</b>

Note: Refer note 20 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements

### As per our report of even date attached

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership No.: 136835

Place: Pune

Date: 29 May 2024

### For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

**S. C. Mehta**

Chairman and Managing Director

DIN: 00128204

Place: Pune

**Sujal Anil Shah**

Director

DIN: 00058019

Place: Mumbai

Date: 29 May 2024

**Deepak Rastogi**

President & CFO

Place: Pune

**Gaurav Munoli**

Company Secretary

Membership No: A24931

Place: Pune

# Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## 1. Corporate Information

Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company") is a company domiciled in India, with its registered office at Pune, Maharashtra, India. The Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Company is primarily engaged in the business of manufacture, trading and sale of bulk chemicals. The Company also has operations in value added real estate.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on 29 May, 2024.

## 2. Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and

- Employee defined benefits plans – plan assets are measured at fair value .

The standalone financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded off to the nearest Lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construes value less than ₹ 50,000.

### 2.2 Significant accounting estimates, assumptions and judgements

The preparation of the Company's standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

#### Estimates, assumptions and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences



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will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

## Useful lives of Property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

## Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Provisions for Litigations and claims

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the standalone financial statements. Contingent assets are not disclosed in the standalone

financial statements unless an inflow of economic benefits is probable.

## Impairment of investment in subsidiaries

The Company reviews its carrying value of investment in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the standalone Statement of Profit and Loss.

## Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

## Impairment of financial assets

The Company assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

## Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless

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the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

### 2.3 Summary of material accounting policies

#### (a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

#### (b) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 "Revenue from contracts with customers".

#### Sale of Goods:

Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from

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customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

### Sale of Services:

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

### Interest Income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### Dividend Income:

Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

### (c) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying

asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the standalone Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/expenses in the statement of profit and loss.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is

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not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets.

For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the

periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 8
Buildings (other than factory buildings) with RCC frame structure	61
Factory buildings	Various estimated lives upto 30 years.
Plant and equipment including office and laboratory equipments	Various estimated lives up to 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40
Furnitures and Fixtures	5-10

### Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

### (d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the standalone

Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone Statement of Profit and Loss when the asset is derecognized.

Name of assets	Estimated useful life (in years)
Computer software	3 to 8
License fees	3 to 8
Operating rights	10

### (e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time

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to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

### (f) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the standalone Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised

in the standalone Statement of Profit and Loss in the period of de-recognition.

Transfers to (or from) investment property are made only when there is a change in use. If the significant ancillary income is generated from services provided along with the rental income and/or the company creates any assets or facilitates activities that generate service income, such investment property shall be reclassified as property, plant, and equipment. If the ancillary and/or service income remains insignificant, the asset shall continue to remain as investment property. The classification may also change if the management decides to sell the property.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

### (g) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the standalone balance sheet.

### (h) Foreign currency transactions and balances

The functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates) is the Indian Rupee (Rs.). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a



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foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the standalone Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### (i) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial assets: Initial recognition and measurement*

All financial assets are recognised initially at fair value (except for trade receivables not containing a significant financing component are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)

- Equity instruments measured at fair value through other comprehensive income (FVOCI)

#### *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 other income in the standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the standalone Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### *Debt instrument at FVOCI*

A 'debt instrument' is classified as at the FVOCI 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 SPPI. Debt instruments included within the FVOCI 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). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the standalone Statement of Profit

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and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### *Debt instrument at FVPL*

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. 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 FVPL category are measured at fair value with all changes recognised in the standalone Statement of Profit and Loss.

### *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI.

There is no recycling of the amounts from OCI to the standalone Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the standalone Statement of Profit and Loss.

### *Investments in subsidiaries and associates*

Investments in subsidiaries and associates are carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the standalone Statement of Profit and Loss.

### *Impairment of financial assets*

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the standalone 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 derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### *Financial liabilities*

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in standalone Statement of Profit and Loss.

### *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

### *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 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 standalone Statement of Profit and Loss.

### *Derivative financial instruments*

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the standalone Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### *Financial guarantee contracts*

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair

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value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

### *Fair value of financial instruments*

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

### **(j) Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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 at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the 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 the lease term.

The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Company has elected not to recognise right of use assets 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 a straight-line basis over the lease term. The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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### (k) Inventories

Cost of raw materials, traded goods, packing materials and stores and spares comprises cost of purchases and cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

- Raw materials, traded goods, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.
- Finished goods and by-products including those held for captive consumption are valued at the lower of cost and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory. Stock-in-trade is valued at lower of cost and net realisable value.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### (l) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is

determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Company estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the standalone Statement of Profit and Loss.

### (m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable



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estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone Statement of Profit and Loss net of any reimbursements.

If the effect of 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 recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

### (n) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

#### Post-employment benefit plans

##### Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund, pension scheme, employee state insurance and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

##### Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit

method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the standalone balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset.

The net interest income / (expense) on the net defined benefit liability is recognised in the standalone Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the standalone Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the standalone Statement of Profit and Loss as past service cost.

#### Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

- (a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

- (b) In case of non - accumulating compensated absence, when the absences occur.

### Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the standalone Statement of Profit and Loss.

### (o) Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively as applicable. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.

#### Cash flow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of

the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the standalone Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the standalone Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

#### Derivatives that are not designated as hedges:

The Company enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the standalone Statement of Profit and Loss.

### (p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

# Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## (q) Cash dividend

The Company recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Company.

## (r) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

## (s) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable

tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income 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 recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or 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 recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### (t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (u) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

#### Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate

basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

### (v) Business combinations

The Company accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

### (w) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

### (x) Changes in material accounting policies

There have been no changes in accounting policies during the financial year 2023-24.

# Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## (y) Recent Pronouncements

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards

under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 3: PROPERTY, PLANT & EQUIPMENT

Particulars	Free- hold Land	Build- ings	Plant and Equip- ment	Electric Instal- lations	Fur- niture and Fix- tures	Office Equip- ment	Labo- ratory Equip- ment	Vehi- cles	Total
<b>Balance as at 1 April 2022</b>	<b>12,275</b>	<b>32,684</b>	<b>73,388</b>	<b>2,331</b>	<b>2,363</b>	<b>2,155</b>	<b>338</b>	<b>1,648</b>	<b>127,182</b>
Additions	-	135	2,602	92	283	173	7	511	3,803
Disposals	(1)	-	(8)	(2)	(21)	(52)	-	(115)	(199)
Reclassified to investment property	(4,608)	(18,006)	-	-	-	-	-	-	(22,614)
<b>Gross carrying amount as at 31 March 2023</b>	<b>7,666</b>	<b>14,813</b>	<b>75,982</b>	<b>2,421</b>	<b>2,625</b>	<b>2,276</b>	<b>345</b>	<b>2,044</b>	<b>108,171</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 1 April 2022</b>	-	<b>(6,435)</b>	<b>(25,838)</b>	<b>(1,625)</b>	<b>(729)</b>	<b>(1,569)</b>	<b>(201)</b>	<b>(1,290)</b>	<b>(37,687)</b>
Depreciation charge for the year	-	(1,493)	(4,416)	(151)	(245)	(215)	(24)	(205)	(6,749)
On disposals	-	-	8	2	21	47	-	69	147
Reclassified to investment property	-	6,150	-	-	-	-	-	-	6,150
<b>Accumulated depreciation as at 31 March 2023</b>	-	<b>(1,778)</b>	<b>(30,246)</b>	<b>(1,774)</b>	<b>(953)</b>	<b>(1,737)</b>	<b>(225)</b>	<b>(1,426)</b>	<b>(38,139)</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>7,666</b>	<b>13,035</b>	<b>45,736</b>	<b>647</b>	<b>1,672</b>	<b>539</b>	<b>120</b>	<b>618</b>	<b>70,033</b>
<b>Gross carrying amount</b>									
<b>Balance as at 1 April 2023</b>	<b>7,666</b>	<b>14,813</b>	<b>75,982</b>	<b>2,421</b>	<b>2,625</b>	<b>2,276</b>	<b>345</b>	<b>2,044</b>	<b>108,172</b>
Additions	509	2,416	5,728	169	345	459	16	398	10,040
Disposals	-	(100)	(2,315)	(5)	(151)	(53)	(8)	(456)	(3,088)
<b>Gross carrying amount as at 31 March 2024</b>	<b>8,175</b>	<b>17,129</b>	<b>79,395</b>	<b>2,585</b>	<b>2,819</b>	<b>2,682</b>	<b>353</b>	<b>1,986</b>	<b>115,124</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 1 April 2023</b>	-	<b>(1,778)</b>	<b>(30,246)</b>	<b>(1,774)</b>	<b>(953)</b>	<b>(1,737)</b>	<b>(225)</b>	<b>(1,426)</b>	<b>(38,139)</b>
Depreciation charge for the year	-	(966)	(5,370)	(134)	(262)	(267)	(21)	(238)	(7,258)
On disposals	-	25	2,299	5	144	51	7	420	2,951
<b>Accumulated depreciation as at 31 March 2024</b>	-	<b>(2,719)</b>	<b>(33,317)</b>	<b>(1,903)</b>	<b>(1,071)</b>	<b>(1,953)</b>	<b>(239)</b>	<b>(1,244)</b>	<b>(42,446)</b>
<b>Net carrying amount as at 31 March 2024</b>	<b>8,175</b>	<b>14,410</b>	<b>46,078</b>	<b>682</b>	<b>1,748</b>	<b>729</b>	<b>114</b>	<b>742</b>	<b>72,678</b>

- No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- Refer Note 21 footnote for information on Property, plant and equipment provided as security by the Company.
- Refer Note 2.3 (c) for policy on depreciation.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Freehold land	15,280	Yerrowda Investments Limited (Jointly controlled entity)	No	1998 onwards	Economic rights held by the Company

Above amount does not include building constructed by the Company on the freehold land based on the development rights held as per the joint venture agreement.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 4: CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2024	As at 31 March 2023
Projects (Mainly comprising of building and plant & machinery)	753	274
Others	2,037	1,447
<b>Total</b>	<b>2,790</b>	<b>1,721</b>

#### Ageing schedule of Capital-work-in progress (CWIP):

CWIP	As on 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
CWIP in progress	2,157	604	14	15	2,790

CWIP	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
CWIP in progress	1,449	193	25	54	1,721

- 1) Projects temporarily suspended during the year ended 31 March 2024 ₹ NIL (31 March 2023 ₹ NIL)
- 2) Projects whose completion is overdue or has exceeded its cost compared to its original plan during the year ended 31 March 2024 ₹ NIL (31 March 2023 ₹ NIL)

### Note 5: INVESTMENT PROPERTY

Particulars	Free hold land	Building	Total
<b>Gross block as on 01 April 2022</b>			
Opening gross carrying amount	3,146	-	3,146
Reclassification from Property, plant and equipment	4,608	18,006	22,614
<b>Closing balance as on 31 March 2023</b>	<b>7,754</b>	<b>18,006</b>	<b>25,760</b>
<b>Accumulated depreciation as on 01 April 2022</b>			
Opening balance	-	-	-
Depreciation charge	-	-	-
Reclassification from Property, plant and equipment*	-	6,118	6,118
<b>Closing balance as on 31 March 2023</b>	<b>-</b>	<b>6,118</b>	<b>6,118</b>
<b>Net carrying amount as on 31 March 2023</b>	<b>7,754</b>	<b>11,888</b>	<b>19,642</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Free hold land	Building	Total
<b>Gross block as on 01 April 2023</b>			
Opening gross carrying amount	7,754	18,006	25,760
Addition during the year	-	33	33
<b>Closing balance as on 31 March 2024</b>	<b>7,754</b>	<b>18,039</b>	<b>25,793</b>
<b>Accumulated depreciation as on 01 April 2023</b>			
Opening balance	-	6,118	6,118
Depreciation charge	-	444	444
<b>Closing balance</b>	<b>-</b>	<b>6,562</b>	<b>6,562</b>
<b>Net carrying amount as on 31 March 2024</b>	<b>7,754</b>	<b>11,477</b>	<b>19,231</b>

\*During the previous year one property has been transferred from property, plant and equipment to investment property in accordance with Ind AS 40, Investment Property.

### Fair value

Particulars	As at 31 March 2024	As at 31 March 2023
Investment properties	61,432	61,432

#### a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2024 is ₹ 61,432 Lakhs (31 March 2023: ₹ 61,432 Lakhs) based on valuation report obtained by management from an independent registered valuer in FY 21-22 as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

#### Fair value Hierarchy

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of Creativity Mall, land parcels at Panchagini, Khamgaon, Solapur and vacant land at Yerwada.

#### Description of valuation technique used

The Company obtains independent valuations of its investment property once in every three years. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

**b) The Company has earned rental income and incurred direct operating expense on the above properties. Details as below :**

- i) Rental and incidental income earned of ₹ 1,806 Lakhs (31 March 2023 ₹ 1,517 Lakhs)
- ii) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income ₹ 3,489 Lakhs (31 March 2023 ₹ 2,250 Lakhs)
- iii) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income ₹ NIL (31 March 2023 ₹ NIL).

### Note 6: LEASES

#### A. Right of use assets

Particulars	Leasehold Building	Leasehold land	Furniture and fixtures	Plant and Machinery	Office Equipments	Total
<b>Gross carrying amount</b>						
Balance as at 1 April 2022	3,704	7,983	302	27	-	12,016
Add: Additions	20	-	-	1,835	91	1,946
Less: Disposals	(324)	-	-	-	-	(324)
<b>Gross carrying amount as at 31 March 2023</b>	<b>3,400</b>	<b>7,983</b>	<b>302</b>	<b>1,862</b>	<b>91</b>	<b>13,638</b>
<b>Accumulated amortization</b>						
Balance as at 1 April 2022	(1,544)	(315)	(152)	(3)	-	(2,014)
Amortisation for the year	(836)	(93)	(66)	(239)	(19)	(1,253)
Less: Disposals	324	-	-	-	-	324
<b>Accumulated depreciation as at 31 March 2023</b>	<b>(2,056)</b>	<b>(408)</b>	<b>(218)</b>	<b>(242)</b>	<b>(19)</b>	<b>(2,943)</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>1,344</b>	<b>7,575</b>	<b>84</b>	<b>1,620</b>	<b>72</b>	<b>10,695</b>
<b>Gross carrying amount</b>						
Balance as at 1 April 2023	3,400	7,983	302	1,862	91	13,638
Add: Additions	82	-	-	1,631	-	1,713
Less: Disposals	(128)	(494)	-	-	-	(622)
<b>Gross carrying amount as at 31 March 2024</b>	<b>3,354</b>	<b>7,489</b>	<b>302</b>	<b>3,493</b>	<b>91</b>	<b>14,729</b>
<b>Accumulated amortization</b>						
Balance as at 1 April 2023	(2,056)	(408)	(218)	(242)	(19)	(2,943)
Amortisation for the year	(850)	(85)	(73)	(669)	(29)	(1,706)
Less: Disposals	30	35	-	-	-	65
<b>Accumulated depreciation as at 31 March 2024</b>	<b>(2,876)</b>	<b>(458)</b>	<b>(291)</b>	<b>(911)</b>	<b>(48)</b>	<b>(4,584)</b>
<b>Net carrying amount as at 31 March 2024</b>	<b>478</b>	<b>7,031</b>	<b>11</b>	<b>2,582</b>	<b>43</b>	<b>10,145</b>



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Company as Lessee:

#### B. Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current	1,152	1,386
Non Current	1,867	1,342
<b>Total</b>	<b>3,019</b>	<b>2,728</b>

#### C. Interest expenses on lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Interest on lease liabilities	252	246

#### D. Expenses on short term leases / low value assets

Particulars	As at 31 March 2024	As at 31 March 2023
Short term leases	51	33

#### E. Amounts recognised in the statement of cash flow

Particulars	As at 31 March 2024	As at 31 March 2023
Total cash outflow for leases:		
a) Short term Leases (Refer (D) above)	51	33
b) Other leases	1,593	1,039
<b>Total</b>	<b>1,644</b>	<b>1,072</b>

#### Other Information:

The Company has leases mainly for Corporate building, Director building, guest houses, plant & machinery, office equipment and some furniture items. These lease contracts provide for payment to increase each year by inflation.

#### Company as a Lessor:

The Company has given building on operating lease, Lease are renewed only on mutual consent and at prevalent market price. Operating lease rent and incidental income recognised in the Statement of Profit and Loss ₹ 1,806 Lakhs (31 March 2023 ₹ 1,517 Lakhs). [Refer Note No. 28]

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Details of undiscounted lease payments receivable after the reporting date

Particulars	As at 31 March 2024	As at 31 March 2023
Receivable not later than 1 year	2,040	1,680
Receivable later than 1 year and not later than 2 years	2,142	1,764
Receivable later than 2 years and not later than 3 years	2,249	1,852
Receivable later than 3 years and not later than 4 years	2,362	1,945
Receivable later than 4 years and not later than 5 years	2,480	2,042
Receivable later than 5 years	2,604	-
<b>Total</b>	<b>13,877</b>	<b>9,283</b>

### Note 7: INTANGIBLE ASSETS

Particulars	Computer Software	License Fees	Operating Rights	Total
<b>Gross carrying amount as on 1 April 2022</b>	<b>1,425</b>	<b>633</b>	<b>-</b>	<b>2,058</b>
Additions during the year	50	28	2,280	2,358
<b>Gross carrying amount as on 31 March 2023</b>	<b>1,475</b>	<b>661</b>	<b>2,280</b>	<b>4,416</b>
Additions during the year	39	61	-	100
<b>Gross carrying amount as on 31 March 2024</b>	<b>1,514</b>	<b>722</b>	<b>2,280</b>	<b>4,516</b>
<b>Accumulated Amortisation</b>				
<b>Accumulated amortisation as at 1 April 2022</b>	<b>526</b>	<b>522</b>	<b>-</b>	<b>1,048</b>
Amortisation charge for the year	202	33	56	291
<b>Closing accumulated amortisation as at 31 March 2023</b>	<b>728</b>	<b>555</b>	<b>56</b>	<b>1,339</b>
Amortisation charge for the year	196	46	228	470
<b>Closing accumulated amortisation as at 31 March 2024</b>	<b>924</b>	<b>601</b>	<b>284</b>	<b>1,809</b>
<b>Net Block as at 31 March 2023</b>	<b>747</b>	<b>106</b>	<b>2,224</b>	<b>3,077</b>
<b>Net Block as at 31 March 2024</b>	<b>590</b>	<b>121</b>	<b>1,996</b>	<b>2,707</b>

Refer Note 2.3(d) for policy on amortisation

### Note 8: INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31 March 2024	As at 31 March 2023
Intangible assets under Development (Mainly include softwares under development)	526	182
<b>Total</b>	<b>526</b>	<b>182</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Ageing schedule Intangible assets under development:

Intangible assets under development	As on 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	426	82	18	-	526

Intangible assets under development	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	90	92	-	-	182

- 1) Projects temporarily suspended during the year ended 31 March 2024 ₹ NIL (31 March 2023 ₹ NIL)
- 2) Projects whose completion is overdue or has exceeded its cost compared to its original plan during the year ended 31 March 2024 ₹ NIL (31 March 2023 ₹ NIL)

## FINANCIAL ASSETS

### Note 9: INVESTMENT

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at cost		
Investments in equity shares (unquoted) of subsidiaries (fully paid up)		
1,70,50,000 (31 March 2023: 1,70,50,000) equity shares of Mahadhan AgriTech Limited (formerly known as Smartchem Technologies Limited) (wholly owned subsidiary) of ₹ 10 each	80,676	80,676
1,60,000 (31 March 2023: 1,60,000) equity shares of Deepak Nitrochem Pty. Limited (wholly owned subsidiary) of AUD 1 each	55	55
Less: Impairment in the value of investments	(35)	(35)
10,000 (31 March 2023: 10,000) equity shares of Deepak Mining Solutions Limited (formerly known as Deepak Mining Services Private Limited) (wholly owned subsidiary) of ₹ 10 each	1	1
50,000 (31 March 2023: 50,000) equity shares of SCM Fertichem Limited (wholly owned subsidiary) of ₹ 10 each	4	4
41,00,000 (31 March 2023: 41,00,000) equity shares of Ishanya Brand Services Limited of ₹ 10 each	411	411
100,000 (31 March 2023: 100,000) equity shares of Ishanya Realty Corporation Limited of ₹10 each	6	6
Deemed investment in Platinum Blasting Services Pty Limited*	130	130
Deemed investment in Performance Chemiserve Limited*	2,193	1,733
Deemed investment in Mahadhan AgriTech Limited (formerly known as Smartchem Technologies Limited)*	3,814	1,811

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investments in equity shares (unquoted) of Associates (fully paid up)</b>	-	-
<b>Total (equity instruments)</b>	<b>87,255</b>	<b>84,792</b>
<b>Investments measured at Amortised cost</b>		
<b>Investments in debentures (unquoted) of subsidiaries (fully paid up)</b>		
5,000 (31 March 2023: 10,000) optionally convertible debentures of Mahadhan AgriTech Limited (formerly known as Smartchem Technologies Limited) (wholly owned subsidiary) of ₹ 10 lakhs each ***	50,000	100,000
2,100 (31 March 2023: NIL) Compulsory convertible debentures of Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (wholly owned subsidiary) of ₹ 10 lakhs each ^	27,934	-
<b>Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)</b>		
24,50,000 (31 March 2023: 24,50,000) equity shares of Avaada MHBuldana Private Limited Project of ₹ 10 each	245	245
88,448 (31 March 2023: 88,448) equity shares of Deepak International Limited of Sterling Pound of 1 each**	-	-
<b>Aggregate amount of unquoted investments</b>	<b>1,65,434</b>	<b>1,85,037</b>
Aggregate amount of impairment in the value of investments	35	35

\* Deemed investment is on account of accounting done in books for fair valuation of corporate guarantee issued to banks and financial institutions on behalf of subsidiary and step-down subsidiary companies.

The company has complied with the number of layers of companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

\*\* Investment in Deepak International Ltd ₹ 69 Lakhs (31 March 2023 - ₹ 69 Lakhs) has been fair valued at ₹ Nil.

\*\*\* During the year, 5,000 Nos. Optionally Convertible Debenture repaid.

^ During the year, company has purchased compulsory convertible debenture issued by Mahadhan AgriTech Limited (formerly known as Smartchem Technologies Limited) from International finance corporation.

Refer Note 37(i) for Fair value measurements of financial assets and liabilities and refer Note 37(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 10: CURRENT INVESTMENTS

Particulars	Units as on 31 March 2024	As at 31 March 2024	Units as on 31 March 2023	As at March 2023
<b>Quoted</b>				
Investment in mutual funds (measured at fair value through profit and loss)				
Invesco India Liquid Fund - Growth	60,891	2,003	48,954	1,502
HSBC Liquid Fund(G)	67,145	1,603	-	-
Bandhan Liquid Fund-Reg(G)	34,599	1,001	33,396	902
Baroda BNP Paribas Liquid Fund(G)	36,349	1,001	-	-
Nippon India Overnight Fund-Reg(G)	3,91,359	501	-	-
HDFC Overnight Fund - Regular Plan - Growth	14,211	501	36,360	1,201
Kotak Overnight Fund-Reg(G)	39,387	501	-	-
ICICI Pru Overnight Fund(G)	31,190	401	-	-
UTI Overnight Fund-Reg(G)	12,342	400	9,896	301
Mirae Asset Liquid Fund-Reg(G)	11,966	300	-	-
Axis Overnight Fund-Reg(G)	23,788	300	-	-
Adiya Birla Sun Life Overnight Fund Growth - Regular Plan	7,845	101	49,827	601
Tata Overnight Fund-Reg(G)	-	-	42,498	500
ICICI Pru Liquid Fund-Reg(G)	-	-	2,72,747	902
Nippon India Liquid Fund-Reg(G)	-	-	22,077	1,204
HDFC Liquid Fund-Reg(G)	-	-	11,412	500
Kotak Liquid Fund-Reg(G)	-	-	26,650	1,204
Axis Liquid Fund - Regular Growth - CFGPG	-	-	48,464	1,204
SBI Liquid Fund Regular Growth	-	-	48,743	1,704
HSBC Cash Fund - Growth	-	-	76,545	1,704
<b>Total</b>		<b>8,613</b>		<b>13,429</b>
Aggregate carrying value of quoted investments		8,613		13,429
Aggregate market value of quoted investments		8,613		13,429

Refer Note 37(i) for Fair value measurements of financial assets and liabilities and refer Note 37(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

### Note 11: TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	28,098	16,103
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired Unsecured	1,314	1,196
Less: Impairment loss allowance	(1,314)	(1,196)
<b>Total</b>	<b>28,098</b>	<b>16,103</b>



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Movement in allowance for expected credit loss:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at beginning of the year	1,196	790
Add: Allowance for expected credit loss	118	406
Less: Reversed / utilized during the year	-	-
<b>Balance as at the end of the year</b>	<b>1,314</b>	<b>1,196</b>

Refer Note 37(i) for Fair value measurements of financial assets and liabilities and refer Note 37(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 38(i) on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

Refer Note 40(b) for amount receivable from related parties which includes debts due by companies in which any director is a director or member.

The Company's exposure to customers is diversified and except 2 customers contributes 45.19% (28.64%), no other customers, contributes more than 10% of the outstanding receivables as at 31 March 2024 and 31 March 2023.

### Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment as on 31 March 2024						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	12,949	14,753	187	209	-	-	28,098
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	27	54	46	292	273	622	1,314
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Impairment loss allowance	(27)	(54)	(46)	(292)	(273)	(622)	(1,314)
<b>Total</b>	<b>12,949</b>	<b>14,753</b>	<b>187</b>	<b>209</b>	<b>-</b>	<b>-</b>	<b>28,098</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment as on 31 March 2023						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	11,352	4,342	400	8	1	-	16,103
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	16	41	67	273	294	505	1,196
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Impairment loss allowance	(16)	(41)	(67)	(273)	(294)	(505)	(1,196)
<b>Total</b>	<b>11,352</b>	<b>4,342</b>	<b>400</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>16,103</b>

### Note 12: LOANS

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
<b>Unsecured, considered good</b>				
Loans to subsidiaries (Refer Note 42)	659	35,874	13,753	-
Advances to employees	40	-	46	-
Other loans	3	-	3	-
<b>Unsecured, considered doubtful</b>				
Other loans	205	-	205	-
Less: Provision for doubtful loans	(205)	-	(205)	-
<b>Total</b>	<b>702</b>	<b>35,874</b>	<b>13,802</b>	<b>-</b>

Refer Note 37(i) for Fair value measurements of financial assets and liabilities and refer Note 37(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

1. Disclosures of Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without any terms or period of repayment:

Type of Borrower	Terms of Loans	As at 31 March 2024		As at 31 March 2023	
		Amount of loan outstanding	Percentage to the total loans	Amount of loan outstanding	Percentage to the total loans
Related Parties (wholly owned subsidiaries) (Refer Note : 40(b))	Repayable on demand	159	0.43%	29	0.21%

2. The Company has provided loans to its wholly owned subsidiary for further investment in its step down subsidiary.

Intermediary name	Date and amount of fund loaned for further investment		Ultimate Beneficiary	Date and amount of fund further loaned	
	Date	Amount		Date	Amount
Mahadhan AgriTech Limited (formerly known as Smartchem Technologies Limited), wholly owned subsidiary	N.A.	N.A.	Performance Chemiserve Limited, step down subsidiary	N.A.	N.A.

The Company has complied the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money Laundering Act, 2002 (15 of 2003).

### Note 13: CASH & CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- in current accounts	2,815	2,499
Deposits with original maturity upto three months	-	-
Cash on hand	1	-
<b>Total</b>	<b>2,816</b>	<b>2,499</b>

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### Note 14: OTHER BANK BALANCES

Particulars	As at 31 March 2024	As at 31 March 2023
Earmarked balances with banks		
Unclaimed dividend	836	817
Deposits with remaining maturity upto 12 months from the reporting date	520	495
<b>Total</b>	<b>1,356</b>	<b>1,312</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 15: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
<b>Unsecured, considered good</b>				
a. Derivative assets				
(i) Commodity hedge contracts	455	-	-	-
b. Interest receivable				
(i) From bank	4	-	27	-
(ii) From others	2,132	-	1,668	-
c. Security deposits	168	3,355	-	3,482
d. Bank deposits with more than 12 months maturity	-	1,850	-	675
e. Amount paid under protest for claims from supplier*	-	1,507	-	1,507
f. Incentive receivable from Government of Gujarat	1,085	-	2,262	-
g. Others	51	-	451	-
<b>Total</b>	<b>3,895</b>	<b>6,712</b>	<b>4,408</b>	<b>5,664</b>

Refer Note 37(i) for Fair value measurements of financial assets and liabilities and refer Note 37(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 40(b) for Security deposits and Interest receivable on loans to related parties

\*Included in supplier claim (refer note 41)

### Note 16: OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	5,626	2,756
Balance with government authorities	6,329	5,633
Prepaid Expenses	67	172
<b>Total</b>	<b>12,022</b>	<b>8,561</b>

### Note 17: INVENTORIES

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials (includes ₹ 287 Lakhs in transit) (31 March 2023 ₹ 79 Lakhs)	2,483	2,308
Finished goods	2,138	4,613
Stock-in-trade	473	514
Stores and spares	7,478	6,521
Packing material	63	57
<b>Total</b>	<b>12,635</b>	<b>14,013</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

The cost of inventories recognised as an expense includes ₹ 2 Lakhs (31 March 2023: ₹ 551 Lakhs) in respect of write-down of inventories to net realisable value.

Refer note 2.3(k) for policy on Valuation of Inventories.

### Note 18: OTHER CURRENT ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Advances for supply of goods and services	678	810
Balances with government authorities (includes GST, Custom duty etc)	1,543	905
Prepaid expenses	1,025	627
Other receivables	79	87
<b>Total</b>	<b>3,325</b>	<b>2,429</b>

### Note 19: SHARE CAPITAL

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised</b>		
13,50,50,000 equity shares of ₹ 10/- each. (31 March 2023: 13,50,50,000 equity shares of ₹ 10/- each)	13,505	13,505
	<b>13,505</b>	<b>13,505</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
12,62,37,825 equity shares of ₹ 10/- each. (31 March 2023: 12,62,37,825 equity shares of ₹ 10/- each)	12,624	12,624
<b>Fully paid-up share capital as at year end</b>	<b>12,624</b>	<b>12,624</b>

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the year end

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
Balance as at the beginning and at the end of the year	12,62,37,825	12,624	12,05,92,948	12,059
Add: Shares issued by way of conversion of foreign currency convertible bonds (FCCB)	-	-	56,44,877	564
	<b>12,62,37,825</b>	<b>12,624</b>	<b>12,62,37,825</b>	<b>12,624</b>

#### Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Holder of each equity share is entitled to one vote per share.



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

The Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Company the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding. The distribution will be in proportion to the numbers of equity shares held by the shareholder.

### ii. Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,35,92,875	34.53%	4,35,92,875	34.53%
Robust Marketing Services Private Limited	1,10,67,301	8.77%	1,08,52,301	8.60%

Shares held by promoters	As on 31 March 2024		As on 31 March 2023		% of Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
<b>Promoter Name</b>					
Class of Shares : Equity shares of ₹ 10/- each					
1) Shri Chimanlal K Mehta	-	0.00%	8,78,913	0.70%	-100.00%
2) Shri Sailesh C Mehta	1,731	0.00%	1,731	0.00%	0.00%
3) Smt. Parul S Mehta	1,409	0.00%	1,409	0.00%	0.00%
4) Shri Yeshil S. Mehta	1,15,000	0.09%	1,15,000	0.09%	0.00%
5) Shri Deepak C Mehta	8,78,913	0.70%	-	0.00%	100.00%
5) Nova Synthetic Limited	4,35,92,875	34.53%	4,35,92,875	34.53%	0.00%
6) Sofotel Infra Private Limited	19,41,546	1.54%	19,41,546	1.54%	0.00%
7) Robust Marketing Services Private Limited	1,10,67,301	8.77%	1,08,52,301	8.60%	1.98%

### Note 20: OTHER EQUITY (Refer Statement of Changes in Equity for Reserves movement)

#### Nature and purpose of other equity

- (a) **Securities premium:** Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013.
- (b) **Capital redemption reserve:** The Company had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

- (c) **General reserve:** This represents appropriation of profits by the Company to General Reserve and is available for distribution of dividend.
- (d) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (e) **Re-measurement of defined benefit plans:** This represents the cumulative gains and losses arising on the re-measurement of defined benefit plans in accordance with Ind AS 19 that have been recognised in other comprehensive income.
- (f) **Hedge Reserve :** Effective portion of fair value gain/(loss) on all financial instruments designated in cash flow hedge relationship are accumulated in hedge reserve.

### FINANCIAL LIABILITIES

#### Note 21: NON-CURRENT BORROWINGS

Particulars	Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2024	As at 31 March 2023
<b>Secured-at amortised cost</b>				
<b>Term loans from banks</b>				
(i) Bank of Baroda			-	13,606
(ii) Export Import Bank of India	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.00% to 8.80% per annum	12,395	15,654
(iii) Bank of Baroda	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	8.15% to 9.35% per annum	-	4,585
(iv) Bank of Baroda	Repayable in quarterly instalments starting from March 2024 and end date of September 2027	9.15% to 9.25% per annum	8,210	-
(v) State Bank of India	Repayable within 18 months	8.80% per annum	1,498	-
(vi) State Bank of India	Repayable in quarterly instalments starting from March 2024 and end date of March 2028	8.60% per annum	10,761	-
<b>Total non-current borrowings</b>			<b>32,864</b>	<b>33,845</b>
Less: Current maturities of long-term debt (included in note 22)			7,260	10,774
<b>Total</b>			<b>25,604</b>	<b>23,071</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

- a) The term loan (i), (ii) and (vi) has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.
- b) The term loan (iii) has been availed to shore up the net working capital of the Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.
- c) The term loan (iv) has been availed to shore up the net working capital of the Company. The term loan is secured by pari passu charge on immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL) with the subsisting mortgage/charge thereon in favour of the Lender for its Corporate Loan of ₹ 400 cr sanctioned to Mahadhan AgriTech Limited. Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.
- d) The term loan (v) has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu charge on project specific assets of upcoming Nitric Acid plant at Dahej, Gujarat.
- e) The Company has registered all the required charges with Registrar of Companies within the statutory period.
- f) The Company has not received any funds from any person or entity, 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 22: CURRENT BORROWINGS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>From banks</b>		
<b>Secured</b>		
-Current maturities of non-current borrowings	7,260	10,774
<b>Total</b>	<b>7,260</b>	<b>10,774</b>

### RECONCILIATION OF BORROWINGS AS REQUIRED BY Ind AS 7 "STATEMENT OF CASH FLOWS"

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current borrowings (refer note 21)	25,604	23,071
Current borrowings (refer note 22)	7,260	10,774
Non-current Lease liabilities (refer note 6)	1,867	1,342
Current Lease liabilities (refer note 6)	1,152	1,386
	<b>35,883</b>	<b>36,573</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Cash and Non-cash adjustments</b>		
Conversion of Foreign Currency Conversion Bonds to Equity Share Capital and Securities Premium	-	(9,504)
Repayment of non-current borrowings	(22,434)	(12,117)
Availment of long term borrowings	21,452	-
Reduction/ Increase in interest accrued	-	(487)
Interest on lease liabilities	252	246
Addition on account on new leases	1,713	1,946
Lease payment	(1,593)	(1,039)
Others	(80)	(2)
<b>Movement of borrowings (net)</b>	<b>(690)</b>	<b>(20,957)</b>

The Company has filed the statements of current assets as per the sanction letters with the banks and are in agreement with the books of account.

### Note 23: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Financial guarantee	1,782	1,533
<b>Total</b>	<b>1,782</b>	<b>1,533</b>
<b>Current</b>		
Security deposits	724	649
Capital creditors	730	1,078
Commission payable (refer Note 40(b))	2,594	205
Foreign Currency Options	-	1
Financial guarantee	394	274
Salary payables	3,183	3,108
Unclaimed dividend <sup>(#)</sup>	836	817
Others*	2,043	-
<b>Total</b>	<b>10,504</b>	<b>6,132</b>

<sup>(#)</sup> ₹ 99 Lakhs (31 March 2023 ₹ 74 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company except for ₹ 0.37 Lakhs (31 March 2023 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

\*Includes a liability of ₹ 2,043 Lakhs (31 March 2023: ₹ Nil) on account of a channel financing arrangement, where the bank pays the Company for goods bought by authorized dealers when due and the dealers then pay the bank as per the agreed terms. The Company recognises financial liability to the extent that it has issued First Loss Default Guarantee.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 24: PROVISIONS

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
<b>Provision for employee benefits</b>				
Gratuity	523	2,036	493	1,740
Compensated absences	360	766	288	730
Defined pension benefits	110	225	181	116
<b>Total (A)</b>	<b>993</b>	<b>3,027</b>	<b>962</b>	<b>2,586</b>
Provisions for tax contingencies <sup>#</sup>	3,624	-	3,542	-
Provision for site restoration*	-	125	-	125
<b>Total (B)</b>	<b>3,624</b>	<b>125</b>	<b>3,542</b>	<b>125</b>
<b>Total (A+B)</b>	<b>4,617</b>	<b>3,152</b>	<b>4,504</b>	<b>2,711</b>

#### Movement in Provisions for tax contingencies

	Tax contingencies <sup>#</sup>	Site restoration*	Compensated absences
<b>As at 1 April 2022</b>	<b>3,460</b>	<b>517</b>	<b>1,288</b>
Additional provisions recognised	82	-	-
Excess amounts reversed/utilised	-	(392)	(270)
<b>As at 31 March 2023</b>	<b>3,542</b>	<b>125</b>	<b>1,018</b>
Additional provisions recognised	82	-	-
Excess amounts reversed/utilised	-	-	108
<b>As at 31 March 2024</b>	<b>3,624</b>	<b>125</b>	<b>1,126</b>

<sup>#</sup> Provision for tax contingencies does not include all of these account of Entry tax, MVAT applicable on purchase of natural gas and income tax provision.

\* The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

#### (A) Defined Contribution Plans (refer Note 33)

Particulars	As at 31 March 2024	As at 31 March 2023
Employer's contribution to provident fund	298	242
Employer's contribution to employee's pension scheme	69	65
Employer's contribution to superannuation fund	201	183
Employer's contribution to employee state insurance	1	1
<b>Total</b>	<b>569</b>	<b>490</b>



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### (B) Defined Benefit Plans

#### i. Gratuity

The Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.20% p.a. (31 March 2023: 7.40% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2023: 60 years), withdrawal rate is 10% p.a. (31 March 2023: 10% p.a.) and mortality table is as per IALM (2012-14) (31 March 2023: IALM (2012-14)).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2023: 8% p.a), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.40% p.a. (31 March 2023: 6.90% p.a).

#### Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	6,592	6,256
Current service cost	425	394
Interest cost	470	415
Actuarial loss	782	(5)
Benefits paid	(488)	(468)
Present value of obligation at the end of the year	7,781	6,592

#### Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the end of the year	7,781	6,592
Fair value of plan assets at the end of the year	5,223	4,360
Net (asset)/liabilities recognised in the Balance Sheet	2,558	2,232

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Fair value of Plan assets :

Particulars	As at 31 March 2024	As at 31 March 2023
Plan assets at the beginning of the year	4,360	3,920
Expected return on plan assets	341	276
Contribution by employer	493	478
Actual benefits paid	-	(323)
Actuarial gain/(loss)	29	8
Plan assets at the end of the year	5,223	4,360

### Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2024	As at 31 March 2023
Current service cost	425	394
Interest cost	129	140
Expense recognised in the Statement of Profit and Loss	554	534

### Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2024	As at 31 March 2023
Remeasurements Cost / (Credit )	782	(5)
Actuarial (gain)/loss on plan assets	(29)	(8)
Amount recognised in the Other Comprehensive Income	753	(13)

### Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	As at 31 March 2024	As at 31 March 2023
Experience Loss on plan liabilities	734	137
Demographic Loss on plan liabilities	-	(24)
Financial (Gain)/ Loss on plan liabilities	48	(119)
Experience (Gain) / Loss on plan assets	(6)	4
Financial (Gain) / Loss on plan assets	(23)	(12)

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Categories of the fair value of total plan assets:

Particulars	As at 31 March 2024	As at 31 March 2023
Funds managed by insurer	5,223	4,360
(%) of total plan assets	100%	100%

### Sensitivity analysis :

Particulars	As at 31 March 2024		As at 31 March 2023	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(234)	256	(222)	243

Particulars	As at 31 March 2024		As at 31 March 2023	
Assumptions	Future salary increase		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	202	(189)	191	(178)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

### Maturity profile of defined benefit obligation is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Within the next 12 months (next annual reporting period)	3,187	2,399
Later than 1 year and not later than 5 years	3,661	3,362
Later than 5 year and not later than 9 years	2,137	3,812
<b>Total</b>	<b>8,985</b>	<b>9,572</b>

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 7.4 years (31 March 2023: 7.53 years)

### Expected contribution for next year:

The company intends to contribute ₹ 523 lakhs in 2024 (₹ 493 lakhs in 2023)

# Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## RISK EXPOSURE AND ASSET LIABILITY MATCHING

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

### 1. Liability Risks

#### a. Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

#### b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

#### c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

### 2. Asset Risks

Plan assets are maintained in a trust fund partly managed by a public sector insurer viz; LIC of India. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

### ii. Defined pension benefits

The Company has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel expenses, telephone reimbursement, club membership etc. for specified number of year. The liability is provided for on the basis of an independent actuarial valuation.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.20% p.a. (31 March 2023: 7.40% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2023: 60 years), withdrawal rate is 10% p.a. (31 March 2023: 8% p.a.) and mortality table is as per IALM (2012-14) (31 March 2023: IALM (2012-14)).

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	297	315
Current service cost	45	41
Past service cost	-	-
Interest cost	21	21
Actuarial (gain)/ loss	(2)	(55)
Benefits paid	(26)	(25)
Present value of obligation at the end of the year	335	297

### Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2024	As at 31 March 2023
Current service cost	45	41
Past service cost	-	-
Interest cost	21	21
Expense recognised in the Statement of Profit and Loss	66	62

### Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2024	As at 31 March 2023
Actuarial (gain)/ loss on plan assets	(2)	(55)
Amount recognised in the Other Comprehensive Income	(2)	(55)

### Sensitivity analysis :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Discount rate		Discount rate	
<b>Assumptions</b>	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(76)	103	(67)	91



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 25: TRADE PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade payables</b>		
(a) total outstanding dues of micro and small enterprises	1,584	1,676
(b) total outstanding dues of creditors other than micro and small enterprises <sup>#</sup>	16,412	25,221
<b>Total</b>	<b>17,996</b>	<b>26,897</b>

<sup>#</sup> Includes payable to related party ₹ 1 Lakhs (31 March 2023: ₹ 6 Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,584	1,676
- Principal amount outstanding (whether due or not) to micro and small enterprises	1,181	1,420
- Interest due thereon	3	3
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	6,485	5,166
Amount of interest due and payable on delayed payments	39	86
Amount of interest accrued and remaining unpaid as at year end	403	256
The amount of further interest remaining due and payable even in the succeeding year	-	-

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company requested its suppliers to confirm whether they are Micro, Small or Medium enterprise as defined in the said MSMED Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Company has recognised them for the necessary treatment as provided under the MSMED Act, from the date of receipt of such confirmations.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Trade Payables aging schedule

Particulars	As on 31 March 2024 - Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	702	488	131	116	147	1,584
(ii) Others	795	8,711	34	24	590	10,154
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	6,258	-	-	-	-	6,258
<b>Total</b>	<b>7,755</b>	<b>9,199</b>	<b>165</b>	<b>140</b>	<b>737</b>	<b>17,996</b>

Particulars	As on 31 March 2023 - Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	240	1,148	131	82	75	1,676
(ii) Others	8,306	10,309	203	68	336	19,222
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	5,999	-	-	-	-	5,999
<b>Total</b>	<b>14,545</b>	<b>11,457</b>	<b>334</b>	<b>150</b>	<b>411</b>	<b>26,897</b>

### Note 26: DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Deferred tax assets	(1,986)	(1,304)
(b) Deferred tax liabilities	6,330	4,978
<b>Net deferred tax liabilities</b>	<b>4,344</b>	<b>3,674</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Movements in deferred tax liabilities:

Movements during the year ended 31 March 2024:

Particulars	1 April 2023	Charge/(credit) in the statement of Profit and Loss	Credit/(Charge) in equity	Charge/(credit) in the Other Comprehensive Income	As at 31 March 2024
Property, plant and equipment, investment property and intangibles assets	4,773	321	-	-	5,094
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,304)	(493)	-	(189)	(1,986)
Others	205	1,058	-	(27)	1,236
<b>Net deferred tax liabilities</b>	<b>3,674</b>	<b>886</b>	<b>-</b>	<b>(216)</b>	<b>4,344</b>

Movements during the year ended 31 March 2023:

Particulars	1 April 2022	Charge/(credit) in the statement of Profit and Loss	Credit/(Charge) in equity	Charge/(credit) in the Other Comprehensive Income	As at 31 March 2023
Property, plant and equipment, investment property and intangibles assets	4,200	573	-	-	4,773
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,378)	74	-	-	(1,304)
Foreign Currency Convertible Bonds	435	(435)	-	-	-
Impairment Provision	(375)	375	-	-	-
Financial assets at fair value through OCI	342	-	-	(342)	-
Others	(251)	438	-	18	205
<b>Net deferred tax liabilities</b>	<b>2,973</b>	<b>1,025</b>	<b>-</b>	<b>(324)</b>	<b>3,674</b>

### Note 27: OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Advances from customers	908	750
Statutory dues payable	2,841	2,382
Other payables	162	134
<b>Total</b>	<b>3,911</b>	<b>3,266</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 28: REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Sale of products</b>		
Finished goods	1,80,636	2,06,344
Traded goods	8,331	23,009
Power generated from windmills	-	930
Revenue from realty business	1,806	1,517
Other operating revenues		
Incentive income*	1,322	3,123
Others	157	59
<b>Total</b>	<b>1,92,252</b>	<b>2,34,982</b>

\* Incentive under Scheme for incentive to industries (general) 2016-2021 of State of Gujarat for Dahej Plant

### Contracts with customer

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue recognised from contracts with customers	1,92,252	2,34,982
<b>Disaggregation of revenue</b>		
Based on type of goods		
- Sale of industrial chemicals	1,80,636	2,06,344
- Sale of traded products		
(i) Industrial chemicals	8,224	22,483
(ii) Value added real estate (VARE) - Sale of furniture	107	526
- Revenue from power generated from windmills	-	930
- Revenue from realty operation	1,806	1,517
- Other operating revenues	1,479	3,182
Cumulative Impairment losses recognised on receivables arising from an entity's contracts with customers	1,314	1,196

### Details of contract balances:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of receivables	16,103	11,630
Closing balance of receivables	28,098	16,103

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

**Significant changes in the contract liability balances during the year ended are as follows:**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Contract liabilities at the beginning of the year</b>	<b>750</b>	<b>1,555</b>
Revenue recognised that was included in the contract liability balance at the beginning of the year	750	1,555
Increase due to cash received, excluding amounts recognised as revenue during the year	908	750
<b>Contract liabilities at the end of the year</b>	<b>908</b>	<b>750</b>

There is no significant change in the contract asset and contract liabilities.

### Performance obligations

The Company satisfies its performance obligations pertaining to the sale of products at a point in time when the control of goods is actually transferred to the customer. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days.

The Company is obliged to give refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

### Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till the period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that have an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

### Determining the timing of satisfaction of performance obligations

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

### Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	2,06,865	2,44,286
Less: Amount recognised as Discounts / shortages	14,613	9,304
<b>Revenue recognised in the statement of Profit and Loss</b>	<b>1,92,252</b>	<b>2,34,982</b>

### Cost to obtain a contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

### Note 29: OTHER INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from financial assets measured at amortized cost	11,287	9,437
Interest on income tax refund	55	1,292
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	12	29
Net gain on sale of investments	468	741
Gain on sale of land and property, plant and equipment*	5,283	10
Unwinding of discount on security deposits	255	174
Foreign exchange fluctuation gain (net)	-	50
Corporate guarantee income	2,095	864
Other non-operating income	474	807
<b>Total</b>	<b>19,929</b>	<b>13,404</b>

\*Other income includes profit on assignment of leasehold rights over the vacant land and building of the company situated at Vashi, Navi Mumbai, as part of the strategy to divest non-core assets amounting to ₹ 5,290 lakhs.

### Note 30: COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials as at the beginning of the year	2,308	5,098
Add: Purchases during the year	1,20,461	1,54,707
Less: Raw material as at the end of the year	2,483	2,308
<b>Total</b>	<b>1,20,286</b>	<b>1,57,497</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 31: PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of stock-in-trade	6,743	20,146
<b>Total</b>	<b>6,743</b>	<b>20,146</b>

### Note 32: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening balance</b>		
Finished goods	4,613	1,411
Stock-in-trade	514	1,511
<b>Total opening balance</b>	<b>5,127</b>	<b>2,922</b>
<b>Closing balance</b>		
Finished goods	2,138	4,613
Stock-in-trade	473	514
<b>Total closing balance</b>	<b>2,611</b>	<b>5,127</b>
<b>Total</b>	<b>2,516</b>	<b>(2,205)</b>

### Note 33: EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus *	10,051	5,990
Contribution to provident fund & other funds	569	490
Gratuity (refer note 24)	554	534
Post-employment pension benefits (refer note 24)	66	62
Staff welfare expenses	376	330
<b>Total</b>	<b>11,616</b>	<b>7,406</b>

(\*) Net of recharges of ₹ 9,858 Lakhs (31 March 2023 : ₹ 9,231 Lakhs) to subsidiary company - Mahadhan AgriTech Limited (Previously known as Smartchem Technologies Limited.).

### Note 34: FINANCE COSTS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest cost on financial liabilities measured at amortized cost	2,772	3,539
Finance charges on finance leases	252	246
Interest others	677	857
Other borrowing costs	284	435
Exchange differences regarded as an adjustment to borrowing costs	-	35
Less: Interest capitalised	(33)	-
<b>Total</b>	<b>3,952</b>	<b>5,112</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 35: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment*	6,052	5,149
Amortisation of right of use assets**	1,106	1,253
Amortisation of investment property	444	-
Amortisation on intangible assets	470	291
<b>Total</b>	<b>8,072</b>	<b>6,693</b>

\* Net of recharges of ₹ 1,206 Lakhs (31 March 2023 : ₹ 1,600 Lakhs) to subsidiary company-Mahadhan AgriTech Limited (Previously known as Smartchem Technologies Limited.).

\*\* Net of recharges of ₹ 600 Lakhs (31 March 2023 : NIL) to subsidiary company-Mahadhan AgriTech Limited (Previously known as Smartchem Technologies Limited.).

### Note 36: OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	2,679	3,127
Power, fuel and water*	2,637	1,706
Repairs to :		
- Building	171	163
- Plant and machinery	2,507	2,241
- Others	844	874
Rent	51	33
Insurance	896	811
Rates, taxes and duties	1,229	610
Travelling and conveyance	354	238
Legal and professional fees	1,944	1,091
Payments to auditors (note 36(a) below)	44	45
Directors' fees	80	65
Carriage outward (net)	993	472
Warehouse and handling charges	543	528
Commission on sales	62	111
Sales and promotion expenses	400	331
Donations	-	11

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Utility services	329	300
Communication expenses	32	29
Corporate social responsibility expenditure (refer note 36(b) below)	602	329
Foreign exchange fluctuations loss (net)	15	-
Bad debts written off	118	53
Provision for doubtful debts	118	406
Provision for doubtful loans, advances and other receivable (including write off)	33	-
Miscellaneous expenses	972	1,149
<b>Total</b>	<b>17,653</b>	<b>14,723</b>

Other expenses are net of recharges of ₹ 5,021 Lakhs (31 March 2023 : ₹ 4,899 Lakhs) to subsidiary company - Mahadhan AgriTech Limited (formerly known as Smartchem Technologies Limited).

\* MSEB electricity duty provision taken for ₹ 176 Lakhs (31 March 2023 : ₹ 175 Lakhs). The same has been reduced from contingent liability.

### Note 36(a): DETAILS OF PAYMENTS TO AUDITORS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	38	38
Certification fees in the capacity of statutory auditors	1	2
<b>In other capacities</b>		
Tax Audit	4	4
Remeasurement of expenses	1	2
<b>Total</b>	<b>44</b>	<b>45</b>

### Note 36(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contributions to Ishanya Foundation	172	153
Others	27	75
<b>Total</b>	<b>199</b>	<b>228</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount required to be spent as per Section 135 of the Act		
(a) amount required to be spent by the company during the year	602	329
(b) amount of expenditure incurred*	199	228
(c) shortfall/(excess) at the end of the year	403	101
(d) total of previous years shortfall/(excess)	101	-
(e) reason for shortfall	Ongoing Project	Ongoing Project
(f) nature of CSR activities	Women empowerment, health and education	Women empowerment, health and education
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	Contribution to Ishanya foundation	Contribution to Ishanya foundation
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

\* Cash outflow related to CSR activity is ₹ 199 Lakhs (31 March 2023: ₹ 228 Lakhs)

### Note 36(c): EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity Shares into equity shares.

There are no potential equity shares having dilutive effect on the EPS.

The following reflects the profit and share data used in the basic and diluted EPS computation.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Numerator for basic and diluted EPS</b>		
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for basic EPS	31,337	29,134
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for dilutes EPS	31,337	29,134



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Denominator for basic and diluted EPS</b>		
Weighted average number of equity shares for basic EPS	12,62,37,825	12,38,56,151
Add: Adjustment for Foreign currency convertible bonds	-	-
Weighted average number of equity shares for diluted EPS	12,62,37,825	12,38,56,151
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	24.82	23.52
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	24.82	23.52

### Note 37: FAIR VALUE MEASUREMENTS

#### (i) Financial instruments by category

Particulars	As at 31 March 2024			As at 31 March 2023		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments other than investments in subsidiaries and associates*	-	245	-	-	245	-
- Mutual funds	8,613	-	-	13,429	-	-
- Optionally convertible debentures in subsidiary	-	-	50,000	-	-	1,00,000
- Compulsory convertible debentures in subsidiary	-	-	27,934	-	-	-
Trade receivables	-	-	28,098	-	-	16,103
Cash and cash equivalents	-	-	2,816	-	-	2,499
Other bank balances	-	-	1,356	-	-	1,312
Loans	-	-	36,576	-	-	13,802
Other financial assets						
- Derivative financial asset, designated as hedges	-	455	-	-	-	-
- Others	-	-	10,152	-	-	10,072
<b>Total financial assets</b>	<b>8,613</b>	<b>700</b>	<b>1,56,932</b>	<b>13,429</b>	<b>245</b>	<b>1,43,788</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings	-	-	32,864	-	-	33,845
Lease Liabilities	-	-	3,019	-	-	2,728
Trade payables	-	-	17,996	-	-	26,897
Other financial liabilities						
- Capital creditors	-	-	730	-	-	1,078
- Security deposits	-	-	724	-	-	649
- Others	-	-	8,656	1	-	4,130
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>63,989</b>	<b>1</b>	<b>-</b>	<b>69,327</b>

\*Investment in Subsidiaries and Associates are shown at Cost in balance sheet as per Ind AS 27 : Separate Financial Statements.

### (ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

The different levels have been defined as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value	As at 31 March 2024				As at 31 March 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Financial Investments at FVPL</b>								
Mutual funds	8,613	-	-	8,613	13,429	-	-	13,429
<b>Financial Investments at FVOCI</b>								
Equity instruments	-	-	245	245	-	-	245	245
<b>Derivatives</b>								
Foreign exchange forward contracts/ options	-	-	-	-	-	-	-	-
Commodity Hedge contract	-	455	-	455	-	-	-	-
<b>Total financial assets</b>	<b>8,613</b>	<b>455</b>	<b>245</b>	<b>9,313</b>	<b>13,429</b>	<b>-</b>	<b>245</b>	<b>13,674</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Financial assets and liabilities measured at fair value	As at 31 March 2024				As at 31 March 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>								
<b>Derivatives</b>								
Foreign currency options	-	-	-	-	-	1	-	1
<b>Total financial liabilities</b>	-	-	-	-	-	1	-	1

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2024 and 31 March 2023.

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.

### (iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- The investment measured at fair value and falling under fair value hierarchy Level 3 pertains to investment in equity shares of Avaada MHBudhana Private Limited which is regulated by the terms stated in the share purchase agreement. These shares held by the Company are subject to specific limitations regarding the Company's ability to sell them and the permissible valuation at which they can be sold. Given the nature of these restrictions and the management's overall intention concerning the equity shares, the fair value attributed to such shares by the Company is equivalent to their original cost.
- The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investor.
- The Company enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

### Note 38 : FINANCIAL RISK MANAGEMENT

#### Risk management framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit risk exposure.

#### Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

#### Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, considers the credit risk for trade receivables to be low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance) is ₹ 396 Lakhs (31 March 2023: ₹ 367 Lakhs).

#### Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	31 March 2024	31 March 2023
Balance at the beginning of the year	1,196	790
Add: Provided during the year (net of reversal)	118	406
Less: Amount written off	-	-
Balance at the end of the year	1,314	1,196

#### Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### ii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed periodically by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2024	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings	32,864	7,260	25,604	-	32,864
Lease Liabilities	3,019	1,152	1,867	-	3,019
Trade payables	17,996	17,996	-	-	17,996
Other financial liabilities	12,286	10,504	1,782	-	12,286
<b>Total non-derivative liabilities</b>	<b>66,165</b>	<b>36,912</b>	<b>29,253</b>	<b>-</b>	<b>66,165</b>
<b>Derivatives financial liabilities</b>					
Foreign exchange forward contracts	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 March 2023	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings	33,845	10,774	23,071	-	33,845
Lease Liabilities	2,728	1,386	1,336	6	2,728
Trade payables	26,897	26,897	-	-	26,897
Other financial liabilities	7,665	6,132	1,128	405	7,665
<b>Total non-derivative liabilities</b>	<b>71,135</b>	<b>45,189</b>	<b>25,535</b>	<b>411</b>	<b>71,135</b>
<b>Derivatives financial liabilities</b>					
Foreign exchange forward contracts	1	1	-	-	1
<b>Total derivative liabilities</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### a. Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, AED and EUR.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

#### Exposure to currency risk

(i) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note no 43.

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

Particulars	Impact on profit before tax	
	31 March 2024	31 March 2023
<b>USD sensitivity</b>		
₹ /USD - appreciated by 1% (31 March 2023 -1%)	(7)	(20)
₹ /USD - depreciated by 1% (31 March 2023 -1%)	7	20

### 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 is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate floating rate borrowings.

#### (i) Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	31 March 2024	31 March 2023
Variable rate borrowings	32,864	33,845
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>32,864</b>	<b>33,845</b>

The Company has not obtained Interest Rate Swaps (IRS) for variable rate borrowings.

### (ii) Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2024 before tax would decrease / increase by ₹ 164 lakhs (for the year ended 31 March 2023: decrease / increase by ₹ 169 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### Note 39 : CAPITAL MANAGEMENT

#### (a) Risk Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total equity (as shown in the Balance Sheet).

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

The gearing ratios were as follows:

Particulars	31 March 2024	31 March 2023
Net debt	28,692	30,034
Total equity	3,17,558	2,99,487
<b>Net debt to equity ratio</b>	<b>0.09</b>	<b>0.10</b>

### (b) Dividends

Particulars	31 March 2024	31 March 2023
(i) Equity shares		
Final dividend for the year ended 31 March 2023 of ₹ 10 per fully paid equity share (31 March 2022 of ₹ 9 per fully paid equity share)	12,624	10,853
(ii) Dividend not recognised at the end of the reporting period		
Since year end the directors have recommended the payment of a final dividend of ₹ 8.50 per fully paid equity share (31 March 2023 : ₹ 10 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	10,730	12,624

### Disclosure of Related Party Transactions as per IndAs 24

#### Note 40(a) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS WITH WHOM TRANSACTIONS TOOK PLACE

A Subsidiaries		E Key management personnel	
Direct (Wholly owned subsidiaries)		(a) Executive directors	
1	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited) (MAL)	1	Mr. Sailesh Chimanlal Mehta
2	SCM Fertichem Limited		
3	Ishanya Brand Services Limited	(b) Non-executive directors	
4	Deepak Mining Solutions Limited (formerly known as Deepak Mining Services Private Limited) (DMSPL)	1	Mrs. Parul Sailesh Mehta
5	Deepak Nitrochem Pty Limited	2	Mr. Madhumilan Parshuram Shinde
6	Ishanya Realty Corporation Limited		
		(c) Non-executive Independent directors	
Indirect (Step-down subsidiaries)		1	Mr. Partha Sarathi Bhattacharyya
1	Performance Chemiserve Limited (PCL)	2	Mr. Bhuwan C Tripathi
2	Australian Mining Explosives Pty Ltd (Subsidiary of PBS)	3	Mr. Sujal Shah
3	Platinum Blasting Services Pty Limited [PBS] (Subsidiary of MAL)	4	Ms. Varsha Vasant Purandare
4	Mahadhan Farm Technologies Private Limited (Subsidiary of MAL)	5	Mr. Jayesh Shah
B Jointly Controlled Entity		6	Mr. Sanjay Gupta
1	Yerrowda Investments Limited	7	Mr. Sitaram Kunte
		8	Mr. Terje Bakken
		9	Dr T.K Chatterjee (Director of subsidiary)

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

<b>C</b>	<b>Entities over which key managerial personnel are able to exercise significant influence:</b>	<b>(d)</b>	<b>Chief Finance Officer</b>
1	Robust Marketing Services Private Limited		Mr. Amitabh Bhargava (upto 31.07.23)
2	Nova Synthetic Limited		Mr. Deepak Rastogi (w.e.f. 01.08.23)
3	The Lakaki Works Pvt. Ltd.		
4	High Tide Investments Pvt. Ltd.	<b>(e)</b>	<b>Company Secretary</b>
5	Deepak Asset Reconstruction Pvt.Ltd.		Mr. Gaurav Munoli
6	Ishanya Foundation		
7	Deepak Foundation	<b>(G)</b>	<b>Close member of Key management personnel</b>
8	M/s. Juris Corp, Advocates and Solicitors	1	Mr. Yeshil Mehta
9	Blueplanet Consultancy & Advisory (OPC) Private Limited	2	Ms. Rajvee Mehta
10	Peerless General Finance and Investment Company Ltd	3	Mr. Ajay Chimanlal Mehta
11	Greypoint Investments Private Limited	4	Mr. Deepak Chimanlal Mehta
12	World of Performing Arts Foundation	5	Mr. Andre Luciano Moscoso Arevalo
<b>D</b>	<b>Entities over which relatives of key managerial personnel are able to exercise significant influence:</b>		
1	Deepak Nitrite Limited		
2	Deepak Phenolics Limited		
3	Sofotel Infra Private Ltd		
4	Blue Shell Investments Pvt. Ltd.		
5	Storewell Credits And Capital Pvt. Ltd.		

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2024					31 March 2023						
		Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Total
1	<b>Sale of goods</b>												
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	51,819	-	-	-	-	51,819	95,580	-	-	-	-	95,580
	Deepak Nitrite Limited	-	-	-	-	5,596	5,596	522	-	-	-	16,977	16,977
	Ishanya Brand Services Limited	107	-	-	-	107	107	-	-	-	-	-	522
	Performance Chemiserve Limited	16,970	-	-	-	16,970	-	-	-	-	-	-	-
2	<b>Rendering of services/ reimbursement of expenses</b>												
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	14,226	-	-	-	-	14,226	14,743	-	-	-	-	14,743
	Performance Chemiserve Limited	674	-	-	-	674	905	-	-	-	-	-	905
	Mahadhan Farm Technologies Private Limited	0	-	-	-	0	0	-	-	-	-	-	-
	Robust/Marketing Services Private Limited	-	-	-	-	0	0	-	-	-	-	-	-
	SCM Fertichem Limited	0	-	-	-	0	0	2	-	-	-	-	2
	Ishanya Realty Corporation Limited	0	-	-	-	0	0	-	-	-	-	-	-
	Ishanya Foundation	-	-	-	-	12	12	-	-	-	7	-	7
	Deepak Mining Solutions Limited (formerly known as Deepak Mining Solutions Limited (formerly known as Deepak Mining Services Private Limited))	0	-	-	-	0	0	-	-	-	-	-	-
	Yerowada Investments Limited	-	-	-	-	-	-	0	29	-	-	-	29
	Ishanya Brand Services Limited	0	-	-	-	0	0	-	-	-	-	-	-
	Complete Mining Solution Private Limited	-	-	-	-	-	-	0	-	-	-	-	-
	Nova Synthetic Limited	-	-	-	-	0	0	-	-	-	-	-	-
	Hightide Investment Private Limited	-	-	-	-	0	0	-	-	-	-	-	-

# Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2024						31 March 2023							
		Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
3	<b>Interest on loan given/Investment</b>														
	Deepak Mining Solutions Limited (formerly known as Deepak Mining Services Private Limited)	3	-	-	-	-	-	-	3	2	-	-	-	-	2
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited [STL])**	11,189	-	-	-	-	-	-	11,189	9,095	-	-	-	-	9,095
	Ishanya Brand Services Limited	6	-	-	-	-	-	-	6	-	-	-	-	-	-
	Ishanya Realty Corporation Limited	0	-	-	-	-	-	-	0	-	-	-	-	-	-
	SCM FertiChem Limited	-	-	-	-	-	-	-	-	3	-	-	-	-	3
4	<b>Investment</b>														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited [STL])** [Optionally Convertible Debentures]	(50,000)	-	-	-	-	-	-	(50,000)	100,000	-	-	-	-	100,000
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited [STL])** [Compulsory Convertible Debentures]	26,734	-	-	-	-	-	-	26,734	-	-	-	-	-	-
5	<b>Purchase of goods and services</b>														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited [STL])**	(26,483)	-	-	-	-	-	-	(26,483)	(26,200)	-	-	-	-	(26,200)
	Ishanya Foundation	-	-	-	-	(0)	-	-	(0)	-	-	-	(4)	-	(4)
	Performance Chemiserve Limited	(7,992)	-	-	-	-	-	-	(7,992)	-	-	-	-	-	-
6	<b>Receiving of services/ reimbursement of expenses</b>														
	Performance Chemiserve Limited	(565)	-	-	-	-	-	-	(565)	(448)	-	-	-	-	(448)
	Mr. Madhumilan Parshuram Shinde	-	-	(13)	-	-	-	-	(13)	-	-	(25)	-	-	(25)
	T K Chatterjee	-	-	(7)	-	-	-	-	(7)	-	-	(12)	-	-	(12)
	Ishanya Foundation	-	-	-	-	-	-	-	-	-	-	(2)	-	-	(2)

## Note 40(b) RELATED PARTY TRANSACTIONS





# Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2024					31 March 2023					
		Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)
	Deepak Mining Solutions Limited (formerly known as Deepak Mining Services Private Limited)	(16)	-	-	-	-	(16)	(2)	-	-	-	(2)
	Ishanya Brand Services Limited	(113)	-	-	-	-	(113)	-	-	-	-	-
	Ishanya Realty Corporation Limited	(1)	-	-	-	-	(1)	-	-	-	-	-
14	<b>Loan or Advances received back</b>											
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	81,000	-	-	-	-	81,000	20,205	-	-	-	20,205
15	<b>SBLC Given</b>											
	Performance Chemiserve Limited	12,451	-	-	-	-	12,451	-	-	-	-	-
16	<b>Amount outstanding</b>											
	<b>Trade payables</b>											
	Ishanya Foundation	-	-	-	-	(1)	-	-	-	(2)	-	(2)
	Juris Corp Legal Service	-	-	-	-	-	-	-	-	(4)	-	(4)
	<b>Deposits Payables</b>											
	Deepak Nitrite Limited	-	-	-	-	(4)	(4)	-	-	-	(4)	(4)
	<b>Remunerations payable</b>											
	Mr Sailesh Mehta	-	-	(2,394)	-	-	(2,394)	-	-	-	-	-
	Other Directors	-	-	(200)	-	-	(200)	-	(204)	-	-	(204)
	<b>Trade receivables</b>											
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	7,445	-	-	-	-	7,445	-	-	-	-	-
	Deepak Nitrite Limited	-	-	-	-	-	489	489	-	-	-	2,751
	Deepak Mining Solutions Limited (formerly known as Deepak Mining Services Private Limited)	15	-	-	-	-	15	15	-	-	-	15
	Ishanya Brand Services Limited	857	-	-	-	-	857	646	-	-	-	646

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2024					31 March 2023						
		Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Total
	Performance Chemiserve Limited	5,147	-	-	-	-	5,147	350	-	-	-	-	350
	<b>Interest Receivable</b>												
	Deepak Mining Solutions Limited (formerly known as Deepak Mining Services Private Limited)	16	-	-	-	-	16	14	-	-	-	-	14
	Ishanya Realty Corporation Limited	0	-	-	-	-	0	-	-	-	-	-	-
	<b>Deposits Receivables</b>												
	Mr Sailesh Mehta	-	-	2,110	-	-	2,110	-	2,110	-	-	-	2,110
	Robust Marketing Services Private Limited	-	-	-	-	350	350	-	-	-	650	-	650
	<b>Deposits Payables</b>												
	Deepak Nitrate Limited	-	-	-	-	(4)	(4)	-	-	-	-	-	-
	<b>Loans recoverable</b>												
	Deepak Mining Solutions Limited (formerly known as Deepak Mining Services Private Limited)	45	-	-	-	-	45	29	-	-	-	-	29
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	36,374	-	-	-	-	36,374	13,724	-	-	-	-	13,724
	Ishanya Brand Services Limited	113	-	-	-	-	113	-	-	-	-	-	-
	Ishanya Realty Corporation Limited	1	-	-	-	-	1	-	-	-	-	-	-
	<b>Optionally Convertible Debentures</b>												
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	50,000	-	-	-	-	50,000	1,00,000	-	-	-	-	1,00,000
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))** (Interest Accrued)	1,703	-	-	-	-	1,703	1,655	-	-	-	-	1,655

# Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2024						31 March 2023							
		Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Close member of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives Are Able To Exercise Significant Influence	Total
	<b>Compulsorily Convertible Debentures</b>														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	27,934	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))** (Interest Accrued)	401	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Corporate Guarantee Given</b>														
	Deepak Nitrite Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,786)
	<b>SBLC Given<sup>^</sup></b>														
	Performance Chemiserve Limited	(12,451)	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note :** Figures in bracket are outflows.

Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis.

\*Remuneration doesn't include sitting fees paid to non-executive directors of ₹ 80 Lakhs (31 March 2023 : ₹ 65.30 Lakhs). As the liability of Leave encashment and Gratuity is provided on Actuarial basis for company as a whole, the said amounts are not included above.

\*\*During previous year ICD was converted in to Investment in Optionaly Convertible Debentures.

<sup>^</sup>SBLC Given - Stand by letter of credit issued to Gas vendor for procurement of GAS on behalf of subsidiary Performance Chemiserve Ltd.

Refer note no.42 for Corporate guarantees given on behalf of subsidiaries to banks and financial institutions.

**Note :** The Company has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) [Refer note 21 point no (b)].

Refer note no. 44 related to commodity contract transferred to subsidiary companies.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 41: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2024	31 March 2023
<b>A. Contingent liabilities</b>		
Claims by supplier not acknowledged as debts	8,985	8,574
Income Tax Demands	5,943	6,557
Excise/Service Tax/Custom Demands [Company is in Appeal]	826	1,131
Excise/Service Tax/Custom Demands- [Department is in Appeal]	3,971	3,971
Sales Tax/ VAT Demands	7,861	7,487
Local Body Tax	1,784	1,784
Penalty on Entry Tax	1,891	1,551
Goods and Service Tax Act, 2017*	11,464	-
<b>Total</b>	<b>42,724</b>	<b>31,055</b>
<b>B. Capital commitments</b>		
Related to Projects	38,046	3,596
Related to Realty	-	44
<b>C. Other Commitments</b>		
Commitments to Supplier	1,122	15,672
<b>Total</b>	<b>39,168</b>	<b>19,312</b>

\*Includes mainly disallowance of Input Tax Credit, with applicable interest and penalty.

### Note 42: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT, 2013 and Schedule V read with Regulations 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A. Loans and advances to related parties includes loan given to a subsidiary. The particulars of which are disclosed below as required.

Name of the party	Rate of interest	Due date and amount payable	Purpose	31 March 2024	31 March 2023
Mahadhan AgriTech Limited	8.25% - 9.50% per annum	Repayable within 3 years from the date of disbursement	The loan has been granted to the subsidiary for working capital requirements.	36,374	13,724
Deepak Mining Solutions Limited	8.25% - 9.50% per annum	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements.	45	29
Ishanya Brand Services Limited	9.50%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements.	113	-
Ishanya Realty Corporation Limited	9.00%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements.	1	-
			<b>Total</b>	<b>36,533</b>	<b>13,753</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### B. The Company has issued corporate guarantees on behalf of subsidiaries to banks. Details are as below :

Name of the party	31 March 2024		31 March 2023		Purpose and Remarks
	Foreign currency (Lakhs)	Amount	Foreign currency (Lakhs)	Amount	
Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	-	191,539	-	235,743	Purpose of this Guarantee is to enable subsidiary for availing loan and other facilities from banks. Original Guarantee has given for ₹191,539 Lakhs. Loan outstanding as on 31 March 2024 ₹ 50,024 lakhs of (31 March 2023 : ₹ 28,494 Lakhs).
Performance Chemiserve Limited (step down subsidiary)	-	90,000	-	263,574	Purpose of this Guarantee is to enable subsidiary for availing loan and other facilities from bank and financial institution. Original Guarantee has given for ₹90,000 Lakhs. Loan outstanding as on 31 March 2024 ₹90,000 lakhs of (31 March 2023 : ₹1,93,758 Lakhs).

### C. The Company has made investment in debentures of subsidiary. Details are as below

Name of the party & Instrument	Rate of interest	Due date and amount payable	Purpose	31 March 2024	31 March 2023
Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL)) (Optionally convertible debentures)	8.22% to 8.31% per annum	Optionally convertible anytime after 1 year from the date of allotment at the option of DFPCCL Maturity - 10 years from date of allotment	The investment has been granted to the subsidiary for working capital/capex requirements.	50,000	100,000
Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL)) (Compulsory convertible debentures)	8% per annum (IRR - 15.25%)	Conversion after 10 years from date of allotment	Working capital and maintenance capex requirement for fertiliser business	27,934	-

### D. Particulars of Investment in Subsidiaries and other investments are given in note 9.

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 43: FOREIGN CURRENCY BALANCES OUTSTANDING

Particulars	31 March 2024		31 March 2023	
	Amount in foreign currency (in Lakhs)	Equivalent Amount in INR (in Lakhs)	Amount in foreign currency (in Lakhs)	Equivalent Amount in INR (in Lakhs)
<b>Hedged Position*</b>				
Creditors (in USD)	-	-	11	900
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>900</b>
<b>Un-hedged Position</b>				
Creditors (in USD)	1	51	0	14
Creditors (in EURO)	0	35	14	1,165
Borrowings and interest (in USD)	-	-	-	-
Exports Receivables (in USD)	(9)	(786)	(1)	(103)
<b>Total</b>	<b>(8)</b>	<b>(700)</b>	<b>13</b>	<b>1,076</b>

\*The above transactions are hedged by following derivative contracts

Particulars	31 March 2024		31 March 2023	
	Amount in foreign currency	Equivalent Amount in INR	Amount in foreign currency	Equivalent Amount in INR
Forward Contracts -USD	-	-	-	-
Forward Contracts -CHF	-	-	-	-
Options Contracts - USD	-	-	11	900
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>900</b>

The Company has chosen not to designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109 since these contracts do not meet the Hedge accounting requirements.

### Unhedged Foreign Currency exposure is as under

Particulars	31 March 2024		31 March 2023	
	Amount in foreign currency		Amount in foreign currency	
Payables and borrowings (including interest)	1	86	14	1,179
Receivables and bank balances	(9)	(786)	(1)	(103)

### Note 44: Impact of Hedging activities

The company is exposed to commodity price risk because the prices of its purchase of Propylene vary as a result of fluctuations of the natural gas liquid. So, the company has used option contract to hedge its commodity i.e natural gas liquid. This natural gas liquid consists of propane and Butane which is formula linked to the prices of propylene.



## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

For Hedges of this commodity purchases, the company entered into a Hedge relationships where the critical terms of the Hedging instrument match exactly with the terms of the Hedge item. The company therefore performs a qualitative assessment of effectiveness. There were no ineffectiveness during financial years ended 31 March 2024 and 31 March 2023 in relation to commodity rate hedge.

### A. Disclosure of effects of Hedge accounting on Financial position:

As on 31 March 2024

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
	Units	Quantity	Asset	Liabilities				
<b>Cash flow Hedge- Commodity price risk</b>								
Morgan Stanley - Brent Crude Contract	Barrels	11,07,400	380	-	31 May 2026	1:1	USD 75	USD 69.40
Engie Energy - Brent Crude Contract	Barrels	8,52,000	439	-	31 May 2025	1:1	USD 77	USD 70
Engie Energy - Japan Korea Marker (JKM) Contract	MMBTU	12,24,000	74	-	15 Aug 2024	1:1	USD 8.15	USD 9.85
Goldman Sachs - Henry Hub Contract	MMBTU	7,13,700	(438)	-	30 Jun 2024	1:1	USD 2.70	-

During the year Brent crude and Natural gas transferred to subsidiary companies as per mutual agreed terms 19,59,400 barrel and 13,73,877 MMBTU respectively.

### B. Disclosure of effects of Hedge accounting on financial performance

Type of Hedge	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount recognised from Cash Flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
<b>Cash Flow Hedge</b>				
Commodity rate risk 31 March 2024	(264)	-	(156)	Cost of material consumed
Commodity rate risk 31 March 2023	74	-	1,431	Cost of material consumed

### C. Movement in cash Flow hedging reserve

Risk category	Commodity rate risk
Cash Flow Hedging reserve	
<b>As at 1 April 2022</b>	<b>1,016</b>
Add: Changes in fair value of commodity hedge contracts	74
Less: Amount reclassified to profit or loss	1,431
Less: Deferred tax relating to OCI gain	(342)
<b>As at 31 March 2023</b>	<b>1</b>
Add: Changes in fair value of commodity hedge contracts	(264)
Less: Amount reclassified to profit or loss	(156)
Less: Deferred tax relating to above	(27)
<b>As at 31 March 2024</b>	<b>(80)</b>

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 45: Income Taxes

A. Components of Income Tax Expenses	31 March 2024	31 March 2023
<b>I. Tax expense recognised in the statement of profit and loss</b>		
Current Tax		
Current Year	9,120	8,855
Adjustments/(credits) related to previous year-(net)	-	-
<b>Total (A)</b>	<b>9,120</b>	<b>8,855</b>
Deferred tax charge/(credit)	886	1,025
<b>Total (B)</b>	<b>886</b>	<b>1,025</b>
<b>Total (A+B)</b>	<b>10,006</b>	<b>9,880</b>
<b>II. Tax on Other Comprehensive Income</b>		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	(189)	18
(Gain)/Loss on debt instruments through other comprehensive income	(27)	(342)
<b>Total</b>	<b>(216)</b>	<b>(324)</b>

### Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2024 and 31 March 2023

Particulars	31 March 2024	31 March 2023
Accounting profit before tax	41,343	39,014
<b>At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%) (A)</b>	<b>10,406</b>	<b>9,820</b>
Effects of non-deductible business expenses	474	108
Long term capital profit not subjected to income tax	-	-
Permanent adjustment of PPE Block	-	-
Others	(874)	(48)
<b>Total (B)</b>	<b>(400)</b>	<b>60</b>
<b>Income Tax expense reported in the statement of profit or loss (A+B)</b>	<b>10,006</b>	<b>9,880</b>

### Note 46

Pursuant to the provisions of Section 132 and 133A of the Income-tax Act, 1961, a Search Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018. The Company has received assessments orders and necessary appeals/rectification, as is applicable, have been filed which are pending for disposal. Based on advice of the independent tax experts, management is of the view that aforesaid matters will not have any significant impact on the Company's financial position and hence no further provision has been recognised as of 31 March 2024. Appropriate disclosure have been made under Contingent liabilities (Refer Note 41).

# Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## Note 47

Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

## Note 48

The management based on legal advise is confident that the demand of Entry Tax to the extent of 9.5% of the purchase price of the Natural Gas is revenue neutral since full set-off is available under the MVAT Act. The Company, therefore, had made a provision only of 3% of the demand amount including interest. The penalty on the same had been disclosed under contingent liabilities.

## Note 49

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## Note 50: Transactions with Struck off Companies

Name of struck off company	Nature of transactions	Balance outstanding	Relationship with struck off company
SM WATER TREATMENT PRIVATE LIMITED	Payable for Water treatment charges	0.36	Vendor
ARC TRENDS SYSTEMS PVT. LTD.	Purchase of sliding entrance door	2.03	Vendor

## Note 51: Ratio

Particulars	31 March 2024	31 March 2023	Items included in numerator	Items included in denominator	Change in the ratio compared to the preceding year	Explanation for change more than 25%
(a) Current Ratio	1.35	1.28	Total current assets	Total current liabilities	5.31	NA
(b) Debt-Equity Ratio	0.11	0.12	Total Debt (Long Term Borrowings, Short Term Borrowings and Lease liabilities)	Shareholder's Equity (Share capital and Other Equity)	(7.47)	NA
(c) Debt Service Coverage Ratio	2.90	2.33	Earnings available for Debt Service (Net profit after tax + Non cash operating expenses + interest + other non cash adjustments)	Debt Service = Interest and lease payments + Principal repayments	24.35	The change in DSCR is on account of lower debt service in CY from PY. BOB corp loan of ₹ 32 cr has been paid in FY 23-24.
(d) Return on Equity Ratio	10.16	10.18	Profit after tax for the current year less preference dividend (if any)	Average Shareholder's Equity	(0.26)	NA

## Notes

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	31 March 2024	31 March 2023	Items included in numerator	Items included in denominator	Change in the ratio compared to the preceding year	Explanation for change more than 25%
(e) Inventory turnover ratio	9.72	13.20	Cost of goods sold	Average inventory	(26.33)	Inventory is at same level but there is drop in consumption of goods on account of reduction in revenue and fall in prices of inventory.
(f) Trade Receivables turnover ratio	8.70	16.95	Revenue from operations	Average trade receivables	(48.67)	Reduction in trade receivables turnover ratio on account of decrease in collection of cash from debtors .
(g) Trade payables turnover ratio	5.67	6.54	Purchase of materials and stock in trade	Average trade payables	(13.38)	NA
(h) Net capital turnover ratio	12.02	15.63	Revenue from operations	Working Capital = Current Assets - Current Liabilities	(23.11)	NA
(i) Net profit ratio	16.30%	12.40%	Profit after tax for the current year	Revenue from operations	31.47	Higher margin on account of increase in profit due to sale of Vashi Land and building.
(j) Return on Capital employed	12.78%	13.11%	Profit before tax and finance costs	Capital Employed = Tangible Network + Total Debt + Deferred tax liability	(2.58)	NA
(k) Return on investment	4.25%	6.01%	Income generated from invested funds	Average invested funds in treasury investments	(29.28)	Due to reduction weighted average rate of return from previous year.

The Company has also made deposits with banks on which it is earning return of around 5.75% to 7.5% (31 March 2023: 4%-5%).

**Notes 3 to 51 form an integral part of the standalone financial statements.**

### As per our report of even date attached

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership No.: 136835

Place: Pune

Date: 29 May 2024

### For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

**S. C. Mehta**

Chairman and Managing Director

DIN: 00128204

Place: Pune

**Sujal Anil Shah**

Director

DIN: 00058019

Place: Mumbai

Date: 29 May 2024

**Deepak Rastogi**

President & CFO

Place: Pune

**Gaurav Munoli**

Company Secretary

Membership No: A24931

Place: Pune

# Consolidated Financial Statements



# Independent Auditors' Report

To the Members of Deepak Fertilisers And Petrochemicals Corporation Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying Consolidated Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited (hereinafter referred to as the "Holding Company"), its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group") and its Joint Operation, which comprise the Consolidated Balance Sheet as at 31 March 2024, 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 for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material 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, and based on the consideration of reports of other auditors on separate financial statements and on the other financial statements/ financial information prepared by the management, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Joint Operation as at 31 March 2024, of the consolidated profit and other comprehensive income, consolidated changes in equity and its 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 Standards 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 Group and its Joint Operation 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 Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph, is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTER

We draw attention to Note 46 of the Consolidated Financial Statements dealing with assessment and demand orders issued under the Income Tax Act, 1961 and the appeals filed thereagainst by a material subsidiary Company. The Company has disclosed the same in contingent liabilities. Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

#### Key Audit Matter Contingent Liabilities

The Holding Company operates in various states within India, exposing it to a variety of different Central and State laws and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Holding Company's tax positions have been challenged by the authorities on a range of matters. Moreover, resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation.

#### Our Principle Audit Procedures

- i. Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations;
- ii. Obtained the Holding Company's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2023-24 and post year-end status of litigations;



### Key Audit Matter Contingent Liabilities

The Holding Company applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the Consolidated Financial Statements. These estimates could change over time as new facts emerge and as each matter progresses. Refer note 42, 46 and note 49 to the Consolidated Financial Statements. Accordingly, we identified Contingent Liabilities as a key audit matter.

### Our Principle Audit Procedures

- iii. Inquired with the Holding Company's external legal counsels, where applicable and in case of material contingent liabilities, to understand the Holding Company's assessment of the litigations and claims;
- iv. Evaluated the Holding Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Holding Company's past estimates/judgements;
- v. Performed test checks on the provision made/contingent liabilities/ other significant litigations /disclosures made in the Consolidated Financial Statements; and
- vi. Assessed the adequacy of the disclosures relating to contingent liabilities in the Consolidated Financial Statements.

### Revenue Recognition: As reported by component auditors of Mahadhan AgriTech Limited

Revenue is measured at the transaction price as reduced by dealer discounts and other similar allowances.

Subsidy income is booked as revenue when the sale to dealer/retailer is recognised and is subject to the Company ensuring with compliance with relevant regulatory requirements.

Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the shipping terms agreed with customers in relation to passing of risk and rewards of ownership.

The application of Indian accounting standard (Ind AS 115) involves significant judgements /material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognised.

### Principle Audit Procedures by component auditors of Mahadhan AgriTech Limited

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- Understood the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes.
- Analysed and discussed with management significant contracts including contractual terms and conditions related to discounts, incentives, and rebates.
- Reviewed the relevant estimates made in connection with volume discounts and its accounting treatment in the books of account.
- Performed procedures to ensure that subsidy is correctly and timely booked as revenue at the rates prescribed by the Department of Fertilizers and in the correct period.
- Performed cut-off procedures to ensure that revenue is accounted in the correct period.
- Selected a sample of contracts and performed the following procedures:
  - (a) Analysed and identified the distinct performance obligations in these contracts.
  - (b) Compared such performance obligations with that identified and recorded by the Company.

### Key Audit Matter Contingent Liabilities

#### Impairment of Assets: As reported by component auditor of Performance Chemiserve Limited

The Company has significant Property, Plant and Equipment relating to the Ammonia Project.

As the amount is significant, an assessment of carrying value of assets of Ammonia Project is required.

### Our Principle Audit Procedures

(c) Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration.

- Reviewed disclosures included in the notes to the accompanying Financial Statements.

#### Principle Audit Procedures by component auditors of Performance Chemiserve Limited

Our audit approach and procedures included:

- Evaluated the reasonableness of management's conclusions on key assumptions, including forecast cash flows focusing on revenues and earnings, assessing the appropriateness of discount rates, historical and budgetary Financial Information, current market conditions and growth rates.
- Assessed the reliability of management's forecast, whilst considering the risk of managements bias.  
Evaluated the appropriateness of impairment model prepared by the management.

### OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Consolidated Financial Statements and our Auditors' Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's 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 financial position, consolidated financial performance (including other comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Group and its Joint Operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Joint Operation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;

and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for assessing the ability of the Group and its Joint Operation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Companies included in the Group and its Joint Operation or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for overseeing the financial reporting process of the Group and its Joint Operation.

### 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 Group and its Joint Operation has adequate internal financial controls with reference to the Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Operation 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 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 Group and its Joint Operation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Joint Operation to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We

remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matter' in this audit report.

We communicate with those charged with governance of the Holding Company and other companies included in the Consolidated Financial Statements of which we are the independent auditors 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 and based on audit reports of other auditors, 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 MATTERS PARAGRAPHS

1. We did not audit the financial statements of nine subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹ 14,36,033 Lakhs as at 31 March 2024, revenues from operation of ₹ 8,18,003 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 25,780 Lakhs and net cash outflows of ₹ (5,647) Lakhs, for the year ended as on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments, if any, made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

2. The Consolidated Financial Statement include the financial statements of one subsidiary which has not been audited by us, whose financial statements reflect total assets of ₹ 23 Lakhs as at 31 March 2024, revenues from operations of Rs Nil Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ (1) Lakhs and net cash outflows of Rs. (1) Lakhs, for the year ended as on that date. The financial statements of this subsidiary are Management drawn. According to the information and explanations given to us by the Management and in our opinion, these financial statements are not material to the Group.
3. We did not audit the financial statements of one joint operation included in the Consolidated Financial Statements. The Management of the Holding Company recorded its share based on Management drawn results of the joint operation. According to the information and explanations given to us by the Management and in our opinion, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Board of Directors of the Holding Company.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other

auditors on separate financial statements, as noted in the Other Matters paragraph, 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 and the reports of the other auditors except for the matters stated in the paragraph 1 i) (vi) below on reporting under Rule 11(g).
- 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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of companies incorporated in India included in the Group, none of the directors of the companies incorporated in India included in the Group, is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 1 (b) above and refer to our comment in paragraph 1(i)(vi) below, on reporting under rule 11 (g).
- g) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure I.
- h) As required by section 197 (16) of the Act; in our opinion and according to the information and explanations given to us, and on the consideration of reports of the other auditors on separate financial statements; the remuneration paid during the current year to its Directors by the companies incorporated in India to whom section 197 applies, included in the Group is in accordance with the provisions of section 197 of the Act.
- i) 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 and on the consideration of reports of the other auditors on separate financial statements:
- (i) The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group and its Joint Operation - Refer Note 42, 46 and 49 to the Consolidated Financial Statements.
- (ii) The Group and its Joint Operation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.
- (iii) There is no delay in amounts, required to be transferred, to the Investor Education and Protection Fund by the companies incorporated in India in the Group and its Joint Operation during the year ended 31 March 2024 except the following in case of Holding Company:

Year	Type of dividend	Dividend unpaid in Lakhs	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards to ownership of shares which remains unresolved

(iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited

under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

(vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries incorporated in India whose financial statements have been audited under the Act, the Holding Company and the subsidiary companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in the Holding Company and two subsidiary companies' accounting software no audit trail (edit log) facility/feature was enabled at the database level to log any direct changes.

Further, during the course of our audit so far it relates to audit trail in respect of transactions, we and respective auditors of the above referred subsidiary companies did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and other auditors of subsidiaries included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except as given below:



<b>Sr. No.</b>	<b>Name</b>	<b>CIN</b>	<b>Company/Associate/ Joint Venture</b>	<b>Clause number of the CARO report</b>
1	Deepak Fertilisers And Petrochemicals Corporation Ltd.	L24121MH1979PLC021360	Holding Company	Clause i(c)
2	Mahadhan Agritech Limited	U67120PN1987PLC166034	Subsidiary	Clause i(c)
3	Deepak Mining Solutions Limited	U14100PN2008PTC132562	Subsidiary	Clause ix(d) and Clause xvii
4	Ishanya Brand Services Limited	U74900PN2008PLC131967	Subsidiary	Clause xvii and xiv
5	Ishanya Realty Corporation Limited	U70101PN2008PLC131330	Subsidiary	Clause xvii and xiv
6	SCM Fertichem Limited	U24211PN2012PLC145023	Subsidiary	Clause xvii and xiv
7	Mahadhan Farm Technologies Private Limited	U01110MH2003PTC140539	Subsidiary	Clause xiv

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration Number: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership Number: 136835

UDIN: 24136835BKBGVQ4037

Place : Pune

Date : 29 May, 2024

## **ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 (g) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries incorporated in India (Holding Company and its Subsidiaries incorporated in India together referred to as "the Group") and Joint Operation, as of that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The management of the companies incorporated in India included in the Group and its Joint Operation incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Group internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial with reference to Consolidated 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, and audit evidence obtained by other auditors of subsidiaries incorporated in India, referred to in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies incorporated in India.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS**

A company's internal financial control with reference to the Consolidated 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 control with reference to the Consolidated Financial Statements 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.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion and based on the audit reports of other auditors, the Holding Company and subsidiaries incorporated in India have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2024, based on the

internal control over financial reporting criteria established by the respective companies 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.

### **OTHER MATTERS**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to seven subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration Number: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership Number: 136835

UDIN: 24136835BKBGVQ4037

Place : Pune

Date : 29 May, 2024

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,59,596	2,01,096
Capital work-in-progress	4	74,854	3,52,653
Investment property	5	20,706	20,103
Right of use assets	6	39,521	38,691
Goodwill on consolidation	7	4,327	4,347
Other intangible assets	8	3,225	3,587
Intangible assets under development	4a	526	182
Financial assets			
i. Investments	9	248	248
ii. Other financial assets	15	10,745	7,377
Deferred tax assets (net)	26	14,420	-
Income tax assets (net)		15,983	14,967
Other non-current assets	16	23,095	60,465
<b>Total non-current assets</b>		<b>7,67,246</b>	<b>7,03,716</b>
<b>Current assets</b>			
Inventories	17	1,19,244	1,25,890
Financial assets			
i. Investments	10	25,828	59,714
ii. Trade receivables	11	1,47,575	1,69,053
iii. Cash and cash equivalents	13	22,594	27,925
iv. Other bank balances	14	13,500	21,940
v. Loans	12	106	108
vi. Other financial assets	15	33,104	8,759
Other current assets	18	53,832	25,016
<b>Total current assets</b>		<b>4,15,783</b>	<b>4,38,405</b>
<b>Total assets</b>		<b>11,83,029</b>	<b>11,42,121</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	12,624	12,624
Other equity	20	5,28,199	4,94,076
Equity attributable to owners of the Company		5,40,823	5,06,700
Non controlling interest		3,781	12,627
<b>Total equity</b>		<b>5,44,604</b>	<b>5,19,327</b>

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
i. Borrowings	21	3,06,261	3,23,098
ii. Lease liabilities	6	7,490	5,442
iii. Other financial liabilities	23	7,911	6,342
Provisions	24	6,606	6,087
Deferred tax liabilities (net)	26	4,716	84
<b>Total non-current liabilities</b>		<b>3,32,984</b>	<b>3,41,053</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	22	98,264	38,239
ii. Lease liabilities	6	2,870	3,109
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	7,067	5,737
(b) total outstanding dues of creditors other than micro and small enterprises	25	1,21,419	1,71,999
iv. Other financial liabilities	23	44,892	39,636
Other current liabilities	27	15,255	11,334
Provisions	24	6,007	5,893
Current tax liabilities (net)		9,667	5,794
<b>Total current liabilities</b>		<b>3,05,441</b>	<b>2,81,741</b>
<b>Total liabilities</b>		<b>6,38,425</b>	<b>6,22,794</b>
<b>Total equity and liabilities</b>		<b>11,83,029</b>	<b>11,42,121</b>
Material accounting policies	1-2		
The accompanying notes form an integral part of the consolidated financial statements	3-52		

## As per our report of even date attached

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership No.: 136835

Place: Pune

Date: 29 May 2024

## For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

**S. C. Mehta**

Chairman and Managing Director

DIN: 00128204

Place: Pune

**Sujal Anil Shah**

Director

DIN: 00058019

Place: Mumbai

Date: 29 May 2024

**Deepak Rastogi**

President & CFO

Place: Pune

**Gaurav Munoli**

Company Secretary

Membership No: A24931

Place: Pune

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Revenue from operations	28	8,67,609	11,30,069
Other income	29	12,276	8,402
<b>Total income</b>		<b>8,79,885</b>	<b>11,38,471</b>
<b>Expenses</b>			
Cost of materials consumed	30	4,88,219	6,93,859
Purchases of stock-in- trade	31	95,962	1,01,698
Changes in inventories of finished goods and stock-in-trade	32	5,632	(28,634)
Employee benefits expense	33	52,653	59,442
Finance costs	34	40,376	19,473
Depreciation and amortisation expense	35	33,373	23,921
Other expenses	36	96,474	87,160
<b>Total expenses</b>		<b>8,12,689</b>	<b>9,56,919</b>
<b>Profit before tax</b>		<b>67,196</b>	<b>1,81,552</b>
<b>Tax expense</b>			
Current tax	45	34,017	55,178
Deferred tax (credit)/charge	26	(12,544)	4,286
<b>Total tax expense</b>		<b>21,473</b>	<b>59,464</b>
<b>Profit for the year</b>		<b>45,723</b>	<b>1,22,088</b>
<b>Other comprehensive income ('OCI')</b>			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(828)	171
Income tax relating to this items	26	213	(55)
<b>Total (A)</b>		<b>(615)</b>	<b>116</b>
(B) Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		40	(216)
Cash Flow hedge		11,646	(1,357)
Income tax relating to this item	26	(3,142)	342
<b>Total (B)</b>		<b>8,544</b>	<b>(1,231)</b>
<b>Other comprehensive income for the year (A+B), net of tax liability</b>		<b>7,929</b>	<b>(1,115)</b>
<b>Total comprehensive income for the year</b>		<b>53,652</b>	<b>1,20,973</b>



# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Profit for the year attributable to:</b>			
- Owners of the Company		44,251	1,21,010
- Non controlling interests		1,472	1,078
<b>Other comprehensive income (net of tax) attributable to:</b>			
- Owners of the Company		7,915	(1,039)
- Non controlling interests		14	(76)
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the Company		52,166	1,19,971
- Non controlling interests		1,486	1,002
Earnings per equity share of ₹10 each	37		
i) Basic (in ₹)		35.05	97.70
ii) Diluted (in ₹)		35.05	97.70
Material accounting policies	1-2		
The accompanying notes form an integral part of the consolidated financial statements	3-52		

## As per our report of even date attached

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Registration No.: 101118W/W100682

### Abhijeet Bhagwat

Partner  
Membership No.: 136835

Place: Pune  
Date: 29 May 2024

## For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

### S. C. Mehta

Chairman and Managing Director  
DIN: 00128204  
Place: Pune

### Sujal Anil Shah

Director  
DIN: 00058019

Place: Mumbai  
Date: 29 May 2024

### Deepak Rastogi

President & CFO  
Place: Pune

### Gaurav Munoli

Company Secretary  
Membership No: A24931

Place: Pune

# Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flow from operating activities</b>		
Profit before tax as per statement of profit and loss	67,196	1,81,552
Adjustments for		
Depreciation and amortisation expense	33,373	23,921
Profit on sale of property, plant and equipment (net)	(5,315)	(8)
Provision for doubtful trade receivables/advances	201	196
Bad debts	117	414
Gain on sale of investments	(3,204)	(3,376)
Unwinding of discount on security deposits	(255)	(175)
Changes in fair value of financial assets at fair value through profit or loss	(146)	(300)
Other adjustment	-	(547)
Interest income	(2,060)	(1,838)
Finance costs	40,376	19,902
Unrealized foreign exchange fluctuations loss/(gain) ( net)	415	231
<b>Cash generated from operations before working capital changes</b>	<b>1,30,698</b>	<b>2,19,972</b>
Change in trade receivables	21,423	(1,07,875)
Change in inventories	6,646	(21,543)
Change in trade payables	(49,904)	36,393
Change in other financial liabilities	(6,595)	10,241
Change in other financial assets	(13,142)	(5,534)
Change in other non-current assets	40,741	(17,672)
Change in other current assets	(29,079)	(9,531)
Change in provisions	(195)	(793)
Change in other current liabilities	3,921	(735)
<b>Cash generated from operations</b>	<b>1,04,514</b>	<b>1,02,923</b>
Income taxes paid (net)	(31,335)	(53,609)
<b>Net cash generated from operating activities</b>	<b>73,179</b>	<b>49,314</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(88,479)	(1,20,938)
Proceeds from sale of property, plant and equipment	5,872	74
Proceeds from sale of investments in mutual fund (net)	37,236	31,595
Loans to employees and other loans taken/given (net)	2	(18)
Fixed deposit matured/placed (net)	5,424	(10,098)
Interest received	2,425	1,501
<b>Net cash (used in) investing activities</b>	<b>(37,520)</b>	<b>(97,884)</b>

# Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flows from financing activities</b>		
Proceeds from borrowings - non current	2,61,022	1,26,839
Repayment of borrowings - non current	(3,08,446)	(22,973)
Proceeds from borrowings - current (net)	75,301	8,406
Payment of lease liability	(3,512)	(2,485)
Interest paid	(51,841)	(37,981)
Dividends paid	(12,643)	(10,923)
Dividends paid to non-controlling interests	(871)	(497)
<b>Net cash (used in)/generated from financing activities</b>	<b>(40,990)</b>	<b>60,386</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,331)</b>	<b>11,816</b>
Cash and cash equivalents at the beginning of the year	27,925	16,109
<b>Cash and cash equivalents at end of the year</b>	<b>22,594</b>	<b>27,925</b>

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

## Reconciliation of cash and cash equivalents as per the Cash flow statement

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash and cash equivalents at the end of year	22,594	27,925
Bank overdraft	-	-
	<b>22,594</b>	<b>27,925</b>

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows"

### As per our report of even date attached

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835  
Place: Pune  
Date: 29 May 2024

### For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

**S. C. Mehta**  
Chairman and Managing Director  
DIN: 00128204  
Place: Pune

**Sujal Anil Shah**  
Director  
DIN: 00058019  
Place: Mumbai  
Date: 29 May 2024

**Deepak Rastogi**  
President & CFO  
Place: Pune

**Gaurav Munoli**  
Company Secretary  
Membership No: A24931  
Place: Pune

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## A. EQUITY SHARE CAPITAL

	As at 31 March 2024	As at 31 March 2023
<b>Balance at the beginning of the year</b>	12,624	12,059
Changes due to prior period errors	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>12,624</b>	<b>12,059</b>
<b>Changes in equity share capital during the year</b>		
Shares issued by way of conversion of Foreign currency convertible bonds (FCCB)	-	565
<b>Balance at the end of the year</b>	<b>12,624</b>	<b>12,624</b>

## B. OTHER EQUITY

	Reserves and Surplus						Items of Other Comprehensive Income		Total attributable to Owners of the Company	Non Controlling Interest	Total	
	Securities premium	Capital redemption reserve	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remeasurement of defined benefit plans	Fair value through OCI including foreign currency translation reserve				Effective portion of Cash Flow Hedges
<b>Balance as at 1 April 2022</b>	88,775	1,950	4,167	1,504	17,922	2,62,953	(2,510)	586	1,016	376,363	11,777	3,88,140
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the previous reporting period</b>	88,775	1,950	4,167	1,504	17,922	2,62,953	(2,510)	586	1,016	3,76,363	11,777	3,88,140
Profit for the year	-	-	-	-	-	1,21,010	-	-	-	1,21,010	1,078	1,22,088
Other comprehensive income	-	-	-	-	-	-	116	(140)	(1,015)	(1,039)	(76)	(1,115)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	1,21,010	116	(140)	(1,015)	1,19,971	1,002	1,20,973
Conversion of foreign currency convertible bonds	10,438	-	-	(1,504)	-	-	-	-	-	8,934	-	8,934
Impact of increase in investment in subsidiary	-	-	-	-	-	(339)	-	-	-	(339)	339	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(491)	(491)
Dividend paid	-	-	-	-	-	(10,853)	-	-	-	(10,853)	-	(10,853)
	10,438	-	-	(1,504)	-	(11,192)	-	-	-	(2,258)	(152)	(2,410)
<b>Balance as at 1 April 2023</b>	99,213	1,950	4,167	-	17,922	3,72,771	(2,394)	446	1	4,94,076	12,627	5,06,703
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	99,213	1,950	4,167	-	17,922	3,72,771	(2,394)	446	1	4,94,076	12,627	5,06,703
Profit for the year	-	-	-	-	-	44,251	-	-	-	44,251	1,472	45,723
Other comprehensive income	-	-	-	-	-	-	(615)	26	8,504	7,915	14	7,929
<b>Total comprehensive income for the year</b>	-	-	-	-	-	44,251	(615)	26	8,504	52,166	1,486	53,652
Equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Effect of transaction with non controlling interest	-	-	-	-	-	(5,687)	-	-	-	(5,687)	-	(5,687)
Previously charged security premium expense reversed	268	-	-	-	-	-	-	-	-	268	-	268
Effect of acquisition of non controlling interest	-	-	-	-	-	-	-	-	-	-	(9,461)	(9,461)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(871)	(871)
Dividend paid	-	-	-	-	-	(12,624)	-	-	-	(12,624)	-	(12,624)
	268	-	-	-	-	(18,311)	-	-	-	(18,043)	(10,332)	(28,375)
<b>Balance as at 31 March 2024</b>	99,481	1,950	4,167	-	17,922	3,98,711	(3,009)	472	8,505	5,28,199	3,781	5,31,980

Note: Refer note 20 for nature and purpose of other equity.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership No.: 136835

Place: Pune

Date: 29 May 2024

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

**S. C. Mehta**

Chairman and Managing Director

DIN: 00128204

Place: Pune

**Sujal Anil Shah**

Director

DIN: 00058019

Place: Mumbai

Date: 29 May 2024

**Deepak Rastogi**

President & CFO

Place: Pune

**Gaurav Munoli**

Company Secretary

Membership No: A24931

Place: Pune

# Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## 1. Corporate Information

Deepak Fertilisers And Petrochemicals Corporation Limited (“the Holding Company or the Parent Company”) is a public limited company domiciled in India, with its registered office at Pune, Maharashtra, India. The Holding Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (“BSE”) in India.

The Holding Company and its subsidiaries (together referred to as “the Group”) is engaged in the business of fertilisers, agri services, bulk chemicals, mining chemicals and value-added real estate.

These consolidated financial statements of the Group as at and for the year ended on 31 March 2024 were approved for issue in accordance with the resolution of the Board of Directors on May 29, 2024.

## 2. Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 notified, as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and

- Employee defined benefits plans – plan assets are measured at fair value

The consolidated financial statements are presented in Indian Rupees (“INR”), which is also the Group functional currency and all values are rounded off to the nearest Lakhs, except when otherwise indicated. Wherever, an amount is presented as INR ‘0’ (zero) it construes value less than ₹ 50,000.

### 2.2A Significant accounting estimates, assumptions and judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods. .

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

The assessment of probability involves estimation of a number of factors including future taxable income.

### Useful lives of Property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

### Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Provisions for Litigations and claims

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the consolidated financial statements. Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

### Impairment of financial assets

The Group assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

### Impairment of non-financial assets (including PPE, CWIP and intangible assets)

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates that the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in



# Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

## 2.2B Principles of consolidation and equity accounting

### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

### (ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

### (iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

#### Joint Ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

### (iv) Equity method of accounting (equity accounted investees)

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Changes in ownership interests:

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes

the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The details of consolidated entities are as follows:

Sr. No.	Name of the Companies	Country of incorporation	Percentage of ownership interest
1	Mahadhan AgriTech Limited (MAL) (formerly Smartchem Technologies Limited)	India	100.00%
2	Deepak Nitrochem Pty Limited	Australia	100.00%
3	Deepak Mining Solutions Limited (formerly Deepak Mining Services Private Limited)	India	100.00%
4	Ishanya Realty Corporation Limited	India	100.00%
5	SCM Fertichem Limited	India	100.00%
6	Platinum Blasting Services Pty Limited (PBS)[Subsidiary of MAL]	Australia	65.00%
7	Australian Mining Explosives Pty Limited (AME)[ Subsidiary of PBS]	Australia	65.00%
8	Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited) [Subsidiary of MAL]	India	100%
9	Ishanya Brand Services Limited	India	100.00%
10	Mahadhan Farm Technologies Private Limited (Subsidiary of MAL)	India	100.00%

Goodwill on consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree, and the fair value of the acquiror's previously held equity instruments in the acquiree (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Profit or

loss and each component of Other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the NCI, even if this results in the NCI having a deficit balance.

The results of subsidiaries acquired or disposed off during the year are included in the consolidated

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financial statements from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Non-controlling interests (NCI) in the net assets of the subsidiaries that are consolidated consist of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

## 2.3 Summary of material accounting policies

### (a) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

### (b) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 "Revenue from contracts with customers".

### Sale of Goods:

Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

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### Sale of Services:

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

### Interest Income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### Dividend Income:

Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

### (c) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/expenses in the statement of profit and loss.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

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Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 7
Buildings (other than factory buildings) with RCC frame structure	61
Factory buildings	Various estimated lives upto 30 years.
Plant and equipment including office and laboratory equipments	Various estimated lives up to 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40
Furnitures and Fixtures	5-10

### Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

### (d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting

period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated Statement of Profit and Loss when the asset is derecognized.

### Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

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Name of intangible assets	Estimated useful life (in years)
Computer software	3 to 8
License fees	3 to 8
Technical knowhow/ engineering fees	3 to 8
Operating rights	10

### (e) Bearer plant

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants mainly include mature and immature pomegranate plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, and an allocation of other indirect costs based on planted hectares.

Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight-line basis and over its estimated useful life of 6 years, upon commencement of commercial production.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits. A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognized.

### (f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

### (g) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the consolidated Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment



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property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated Statement of Profit and Loss in the period of de-recognition.

Transfers to (or from) investment property are made only when there is a change in use. If the significant ancillary income is generated from services provided along with the rental income and/or the Group creates any assets or facilitates activities that generate service income, such investment property shall be reclassified as property, plant, and equipment. If the ancillary and/or service income remains insignificant, the asset shall continue to remain as investment property. The classification may also change if the management decides to sell the property.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

### (h) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the consolidated balance sheet.

### (i) Foreign currency transactions and balances

The functional currency of the Group (i.e. the currency of the primary economic environment

in which the Group operates) is the Indian Rupee (Rs.). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the consolidated Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### Foreign operations

Assets and liabilities of entities with functional currencies other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Balance Sheet date. The Statement of Profit and Loss has been translated using the average exchange rates. The net impact of such translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of Equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control, over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

In case of a partial disposal of interests in a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in the consolidated Statement of Profit and Loss. For all other partial disposal (i.e. partial disposals of joint arrangements that do

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not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated Statement of Profit and Loss.

### (i) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial assets: Initial recognition and measurement*

All financial assets are recognised initially at fair value (except for trade receivables not containing significant financing component are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 Group commits to purchase or sell the asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

#### *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 other income in the consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### *Debt instrument at FVOCI*

A 'debt instrument' is classified as at the FVOCI 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 SPPI. Debt instruments included within the FVOCI 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). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the consolidated Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

#### *Debt instrument at FVPL*

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL.

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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 FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

### *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

### *Impairment of financial assets*

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the consolidated 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 derecognized (i.e., removed from the Group balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### *Financial liabilities*

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are

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subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in consolidated Statement of Profit and Loss.

### *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

### *Derecognition*

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 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 consolidated Statement of Profit and Loss.

### *Derivative financial instruments*

The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date

on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### *Financial guarantee contracts*

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

### *Fair value of financial instruments*

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

## **(k) Leases**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contact involves the use

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of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

As a lessee, the Group 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 at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the 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 the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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 Group incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have

a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Company has elected not to recognise right of use assets 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 a straight-line basis over the lease term. The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

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The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### (l) Inventories

Cost of raw materials, traded goods, packing materials and stores and spares comprises cost of purchases and cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. The cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs of purchased inventory are determined after deducting rebates and discounts.

- Raw materials, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.
- Finished goods and by-products including those held for captive consumption are valued at the lower of cost and net realisable value. Cost is determined on an actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory. Stock-in-trade is valued at lower of cost and net realisable value.

- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### (m) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired, and it is written down to its recoverable amount.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Group estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that



# Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the consolidated Statement of Profit and Loss.

## (n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Statement of Profit and Loss, net of any reimbursements.

If the effect of 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 recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

## (o) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

## Post-employment benefit plans

### Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund, pension scheme, employee state insurance and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

### Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset.

The net interest income / (expense) on the net defined benefit liability is recognised in the consolidated Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the consolidated Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated Statement of Profit and Loss as past service cost.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

- (a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and
- (b) In case of non-accumulating compensated absence, when the absences occur.

### Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the consolidated Statement of Profit and Loss.

### (p) Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured

at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.

#### *Cash flow hedges that qualify for hedge accounting:*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the consolidated Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

#### *Derivatives that are not designated as hedges:*

The Group enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the consolidated Statement of Profit and Loss.

# Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## (q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

## (r) Cash dividend

The Group recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Group.

## (s) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

## (t) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax

rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income 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 recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain 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 or 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 recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

### (u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (v) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

### Segment policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

### (w) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss, as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree and the fair value of acquirer's previously held equity instrument in the acquiree (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Where the fair values of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting in a contingent consideration arrangement, such contingent consideration, on the acquisition date is measured at fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be. Measurement period adjustments are adjustments that arise from additional information during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports

provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Changes in the proportion of the equity held by NCI are accounted for as equity transactions. The carrying amount of the controlling interests and NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

The Group accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

### (x) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow

## Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

**(y) Changes in material accounting policies**

There have been no changes in accounting policies during the Financial year 2023-24.

**(z) Recent Pronouncements**

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



## Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note 3: PROPERTY, PLANT AND EQUIPMENT								Total	
	Free-hold Land	Lease-hold Improvements	Buildings	Plant and Equipment	Electric Installation and Fixtures	Furniture and Equipment	Office Equipment	Laboratory Vehicles		
<b>Gross carrying amount</b>										
As at 1 April 2022	17,179	135	53,648	238,738	5,174	2,664	3,620	732	2,962	3,24,889
Additions	-	96	1,466	17,785	636	349	351	63	955	21,701
Disposals	-	(1)	(37)	(51)	(2)	(21)	(54)	-	(132)	(298)
Exchange differences	-	(4)	-	(293)	-	-	(2)	-	(16)	(315)
Adjustment (Transfer to Investment property)*	(4,608)	-	(18,006)	-	-	-	-	-	-	(22,614)
<b>Gross carrying amount as at 31 March 2023</b>	<b>12,571</b>	<b>226</b>	<b>37,071</b>	<b>256,179</b>	<b>5,808</b>	<b>2,992</b>	<b>3,915</b>	<b>795</b>	<b>3,769</b>	<b>3,23,363</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	-	(82)	(11,437)	(87,205)	(3,096)	(944)	(2,581)	(444)	(2,228)	(1,08,054)
Depreciation charge for the year	-	(14)	(2,735)	(16,445)	(339)	(274)	(396)	(51)	(408)	(20,662)
On disposals	-	-	9	31	2	21	49	-	78	190
Adjustment (Transfer to Investment property)*	-	-	6,150	-	-	-	-	-	-	6,150
Exchange differences	-	2	-	94	-	-	1	-	12	109
<b>Accumulated depreciation as at 31 March 2023</b>	<b>-</b>	<b>(94)</b>	<b>(8,013)</b>	<b>(103,525)</b>	<b>(3,433)</b>	<b>(1,197)</b>	<b>(2,927)</b>	<b>(495)</b>	<b>(2,546)</b>	<b>(1,22,267)</b>
<b>Net carrying amount as on 31 March 2023</b>	<b>12,571</b>	<b>132</b>	<b>29,058</b>	<b>152,654</b>	<b>2,375</b>	<b>1,795</b>	<b>988</b>	<b>300</b>	<b>1,223</b>	<b>2,01,096</b>
<b>Gross carrying amount</b>										
As at 1 April 2023	12,571	226	37,071	256,179	5,808	2,992	3,915	795	3,769	3,23,363
Additions	998	17	24,949	358,113	600	778	1,344	394	1,211	3,88,403
Disposals	-	-	(100)	(2,351)	(40)	(152)	(106)	(8)	(661)	(3,417)
Exchange differences	(3)	-	-	(194)	-	-	(1)	-	(8)	(206)
Adjustment (Transfer to Investment property)*	(772)	-	(408)	-	-	-	-	-	-	(1,180)
<b>Gross carrying amount as at 31 March 2024</b>	<b>12,794</b>	<b>243</b>	<b>61,512</b>	<b>611,747</b>	<b>6,368</b>	<b>3,618</b>	<b>5,152</b>	<b>1,181</b>	<b>4,311</b>	<b>7,06,963</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	-	(94)	(8,013)	(103,525)	(3,433)	(1,197)	(2,927)	(495)	(2,546)	(1,22,267)

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Free-hold Land							Total		
	Land	Lease-hold Improvements	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipment		Laboratory Equipment	Vehicles
Depreciation charge for the year	-	(16)	(2,253)	(24,724)	(3,47)	(311)	(564)	(75)	(505)	(28,797)
On disposals	-	-	25	2,335	37	163	68	7	617	3,252
Adjustment (Transfer to Investment property)*	-	-	387	-	-	-	-	-	-	387
Exchange differences	-	1	-	50	-	-	1	-	6	58
<b>Accumulated depreciation as at 31 March 2024</b>	-	(109)	(9,854)	(125,864)	(3,743)	(1,346)	(3,422)	(563)	(2,428)	(1,47,367)
<b>Net carrying amount as on 31 March 2024</b>	<b>12,794</b>	<b>134</b>	<b>51,658</b>	<b>485,883</b>	<b>2,625</b>	<b>2,273</b>	<b>1,730</b>	<b>618</b>	<b>1,882</b>	<b>5,59,596</b>

\* During the year one property has been transferred from property, plant and equipment to investment property in accordance with Ind AS 40, Investment Property.

- The above does not include stamp duty on the assets (land and other assets) transferred under a restructuring scheme from Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company) to the Subsidiary Company, Mahadhan AgriTech Limited (MAL) (formerly known as Smartchem Technologies Limited (STL)) for which an application for adjudication has been made to the Collector of Stamps (Enforcement), Mumbai. The order in respect of the same is awaited. After completion of the aforesaid process, title deeds of leasehold and freehold land will be transferred in the name of MAL.
- No proceedings has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- Refer Note 21 footnote for information on Property, plant and equipment provided as security by the Group.
- Refer Note 2.3(c) for policy on depreciation.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 4: CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2024	As at 31 March 2023
Projects (Mainly comprising of building and plant and machinery) <sup>#*</sup>	67,482	3,43,483
Others	7,372	9,170
<b>Total</b>	<b>74,854</b>	<b>3,52,653</b>

# Includes borrowing cost of ₹ 16,030 Lakhs (31<sup>st</sup> March 2023 ₹ 74,970 Lakhs)

\* Includes salary cost of ₹ 1,328 Lakhs. (31<sup>st</sup> March 2023 ₹ 2,811 Lakhs)

#### (a) Ageing schedule of Capital-work-in progress (CWIP):

CWIP	As on 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects and CWIP Others in progress	23,142	11,785	6,613	33,314	74,854

CWIP	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects and CWIP Others in progress	1,11,126	75,641	25,465	1,40,421	3,52,653

1) Projects temporarily suspended during the year ended 31 March 2024 - ₹ NIL (31 March 2023 - ₹ NIL).

#### b) For capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

##### For the year ended 31 March 2024

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Technical Ammonium Nitrate Project at Gopalpur	-	-	59,163	-	59,163
<b>Total</b>	<b>-</b>	<b>-</b>	<b>59,163</b>	<b>-</b>	<b>59,163</b>

##### For the year ended 31 March 2023

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Technical Ammonium Nitrate Project at Gopalpur	-	-	-	46,053	46,053
Ammonia project and others	2,96,092	-	-	-	2,96,092
<b>Total</b>	<b>2,96,092</b>	<b>-</b>	<b>-</b>	<b>46,053</b>	<b>3,42,145</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 4a: INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31 March 2024	As at 31 March 2023
Intangible assets under development	526	182
<b>Total</b>	<b>526</b>	<b>182</b>

#### Ageing schedule Intangible assets under development:

Intangible assets under development	As on 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	426	82	18	-	526

#### Ageing schedule Intangible assets under development:

Intangible assets under development	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	90	92	-	-	182

- 1) Projects temporarily suspended during the year ended 31 March 2024 ₹ NIL (31 March 2023 ₹ NIL)
- 2) Projects whose completion is overdue or has exceeded its cost compared to its original plan during the year ended 31 March 2024 ₹ NIL (31 March 2023 ₹ NIL)

### Note 5: INVESTMENT PROPERTY

Particulars	Freehold land	Leasehold land	Building	Total
<b>Gross block as on 01 April 2022</b>				
Opening gross carrying amount	3,607	-	-	3,607
Reclassification from Property, plant and equipment	4,608	-	18,006	22,614
<b>Closing balance as on 31 March 2023</b>	<b>8,215</b>	<b>-</b>	<b>18,006</b>	<b>26,221</b>
<b>Accumulated depreciation as on 01 April 2022</b>				
Opening balance	-	-	-	-
Depreciation charge	-	-	-	-
Reclassification from Property, plant and equipment	-	-	6,118	6,118
<b>Closing balance as on 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>6,118</b>	<b>6,118</b>
<b>Net carrying amount as on 31 March 2023</b>	<b>8,215</b>	<b>-</b>	<b>11,888</b>	<b>20,103</b>
<b>Gross block as on 01 April 2023</b>				
Opening gross carrying amount	8,215	-	18,006	26,221

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Freehold land	Leasehold land	Building	Total
Addition during the year	-	-	33	33
Reclassification from property, plant and equipment and Right of use assets*	772	221	21	1,014
<b>Closing balance as on 31 March 2024</b>	<b>8,987</b>	<b>221</b>	<b>18,060</b>	<b>27,268</b>
<b>Accumulated depreciation as on 01 April 2023</b>				
Opening balance	-	-	6,118	6,118
Depreciation charge	-	-	444	444
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>6,562</b>	<b>6,562</b>
<b>Net carrying amount as on 31 March 2024</b>	<b>8,987</b>	<b>221</b>	<b>11,498</b>	<b>20,706</b>

\*During the current year property has been transferred from property, plant and equipment to investment property in accordance with Ind AS 40, Investment Property.

### (i) Fair value

	As at 31 March 2024	As at 31 March 2023
Investment properties	67,683	62,421

#### a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2024 is ₹ 67,683 Lakhs (31 March 2023: ₹ 62,421 Lakhs) based on valuation report obtained by management from an independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

#### Fair value Hierarchy

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of Creaticity mall and land parcels at Panchagini, Khamgaon, Solapur, Nashik, Paradeep land and vacant land at Yerwada, Pune.

#### Description of valuation technique used

The Group obtains independent valuations of its investment property periodically every three years. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the

## Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

**b) The Company has earned rental income and incurred direct operating expense on the above properties. Details as below :**

- i) Rental and incidental income earned of ₹ 1,806 Lakhs (31 March 2023 ₹ 1,517 Lakhs)
- ii) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income ₹ 3,489 Lakhs (31 March 2023 ₹ 2,250 Lakhs).
- iii) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income ₹ NIL (31 March 2023 ₹ NIL).

### Note 6: LEASES

#### A. Right of use assets

Particulars	Leasehold Building	Furniture & fixtures	Leasehold Land	Plant and Machinery	Other Equipment	Total
<b>Gross carrying amount</b>						
Balance as at 1 April 2022	23,597	302	14,718	27	4,540	43,184
Add: Additions	837	18	-	1,835	3,977	6,667
Less: Disposals	(324)	-	-	-	-	(324)
Adjustments	(1,202)	-	-	-	(3,924)	(5,126)
Exchange Difference	(89)	-	-	-	-	(89)
<b>Gross carrying amount as at 31 March 2023</b>	<b>22,819</b>	<b>320</b>	<b>14,718</b>	<b>1,862</b>	<b>4,593</b>	<b>44,312</b>
<b>Accumulated amortization</b>						
Balance as at 1 April 2022	(3,192)	(152)	(894)	(3)	(1,246)	(5,487)
Amortisation for the year	(1,589)	(96)	(498)	(239)	(615)	(3,037)
Less: Disposals	324	-	-	-	-	324
Adjustments	849	-	-	-	1,694	2,543
Exchange differences	36	-	-	-	-	36
<b>Accumulated depreciation as at 31 March 2023</b>	<b>(3,572)</b>	<b>(248)</b>	<b>(1,392)</b>	<b>(242)</b>	<b>(167)</b>	<b>(5,621)</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>19,247</b>	<b>72</b>	<b>13,326</b>	<b>1,620</b>	<b>4,426</b>	<b>38,691</b>
<b>Gross carrying amount</b>						
Balance as at 1 April 2023	22,819	320	14,718	1,862	4,593	44,312
Add: Additions	82	-	459	1,631	2,949	5,121
Less: Disposals	(195)	-	(494)	-	-	(689)
Less: Reclassified to investment property**	-	-	(221)	-	-	(221)
Adjustments*	60	-	-	-	17	77



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(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Leasehold Building	Furniture & fixtures	Leasehold Land	Plant and Machinery	Other Equipment	Total
Exchange Difference	-	-	-	-	-	-
<b>Gross carrying amount as at 31 March 2024</b>	<b>22,766</b>	<b>320</b>	<b>14,462</b>	<b>3,493</b>	<b>7,559</b>	<b>48,600</b>
<b>Accumulated amortization</b>						
Balance as at 1 April 2023	(3,572)	(248)	(1,392)	(242)	(167)	(5,621)
Amortisation for the year	(1,420)	(77)	(317)	(669)	(1,066)	(3,549)
Less: Disposals	68	-	35	-	-	103
Adjustments*	(12)	-	-	-	-	(12)
Exchange differences	-	-	-	-	-	-
<b>Accumulated depreciation as at 31 March 2024</b>	<b>(4,936)</b>	<b>(325)</b>	<b>(1,674)</b>	<b>(911)</b>	<b>(1,233)</b>	<b>(9,079)</b>
<b>Net carrying amount as at 31 March 2024</b>	<b>17,830</b>	<b>(5)</b>	<b>12,788</b>	<b>2,582</b>	<b>6,326</b>	<b>39,521</b>

Note: Depreciation on right of use assets of ₹ 70 Lakhs (31 March 2023: ₹ 398 Lakhs) transferred to capital work in progress.

\* Adjustments for lease modification.

\*\*During the year one property has been transferred from property, plant and equipment to investment property in accordance with Ind AS 40, Investment Property.

### B. Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current	2,870	3,109
Non Current	7,490	5,442
<b>Total</b>	<b>10,360</b>	<b>8,551</b>

### C. Interest expenses on lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Interest on lease liabilities	681	708

### D. Expenses on short term leases / low value assets

Particulars	As at 31 March 2024	As at 31 March 2023
Short term leases	2,005	1,468

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to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### E. Amounts recognised in the statement of cash flow

Particulars	As at 31 March 2024	As at 31 March 2023
a) Short term leases	2,005	1,468
b) Other leases	3,512	2,485
<b>Total cash outflow for leases</b>	<b>5,517</b>	<b>3,953</b>

#### Other Information:

The Group has leases mainly for Land, Corporate building, furniture items, machinery and other equipments. These lease contracts provide for payment to increase each year by inflation.

#### As a Lessor:

The Group has given buildings on operating lease, Leases are renewed only on mutual consent and at a prevalent market price. Operating lease rent and incidental income recognised in the Statement of Profit and Loss: ₹ 1,697 Lakhs (31 March 2023: ₹ 1,412 Lakhs).[Refer Note no 28]

#### Details of undiscounted lease payments receivable after the reporting date:

Particulars	As at 31 March 2024	As at 31 March 2023
Receivable not later than 1 year	2,040	1,680
Receivable later than 1 year and not later than 2 years	2,142	1,764
Receivable later than 2 years and not later than 3 years	2,249	1,852
Receivable later than 3 years and not later than 4 years	2,362	1,945
Receivable later than 4 years and not later than 5 years	2,480	2,042
Receivable later than 5 years	2,604	-
<b>Total</b>	<b>13,877</b>	<b>9,283</b>

### Note 7: GOODWILL ON CONSOLIDATION

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	4,347	4,399
Adjustment for foreign exchange (Platinum Blasting Services Pty Limited)	(20)	(52)
<b>Total</b>	<b>4,327</b>	<b>4,347</b>

Goodwill of ₹ 4,327 lakhs (31 March 2023: ₹ 4,347 lakhs) relates to the CGUs namely Mahadhan Farm Technologies Private Limited ₹ 1,542 lakhs (31 March 2023: ₹ 1,542 lakhs), Performance Chemiserve Limited ₹ 1,189 lakhs (31 March 2023: ₹ 1,189 lakhs) and Australian Mining Explosives Pty Ltd ₹ 1,596 lakhs (31 March 2023: ₹ 1,615 lakhs) respectively.

## Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

The management has performed the impairment testing of all the companies identified as CGUs based on the revenue generated, profit earned, return on investment, market valuation of ongoing projects and net worth of these companies. Based on assessment of all these factors, management is of the view that there is no indicator of impairment in any of the companies and did not result in any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

### Note 8: OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Technical Know How / Engineering fees	License Fees	Operating Rights	Total
<b>Gross carrying amount as on 1 April 2022</b>	<b>3,017</b>	<b>328</b>	<b>1,763</b>	<b>-</b>	<b>5,108</b>
Additions during the year	69	-	28	2,280	2,377
Deletion during the year	(6)	-	-	-	(6)
Foreign exchange difference	(4)	-	-	-	(4)
<b>Gross carrying amount as on 31 March 2023</b>	<b>3,076</b>	<b>328</b>	<b>1,791</b>	<b>2,280</b>	<b>7,475</b>
Additions during the year	231	-	61	-	292
Deletion during the year	-	-	-	-	-
Foreign exchange difference	(1)	-	-	-	(1)
<b>Gross carrying amount as on 31 March 2024</b>	<b>3,306</b>	<b>328</b>	<b>1,852</b>	<b>2,280</b>	<b>7,766</b>
<b>Accumulated Amortisation</b>					
<b>Accumulated amortisation as at 1 April 2022</b>	<b>1,477</b>	<b>211</b>	<b>1,583</b>	<b>-</b>	<b>3,271</b>
Amortisation charge for the year	368	117	79	56	620
Foreign exchange difference	(3)	-	-	-	(3)
<b>Closing accumulated amortisation as at 31 March 2023</b>	<b>1,842</b>	<b>328</b>	<b>1,662</b>	<b>56</b>	<b>3,888</b>
Amortisation charge for the year	365	-	60	228	653
Foreign exchange difference	-	-	-	-	-
<b>Closing accumulated amortisation as at 31 March 2024</b>	<b>2,207</b>	<b>328</b>	<b>1,722</b>	<b>284</b>	<b>4,541</b>
<b>Net Block as at 31 March 2023</b>	<b>1,234</b>	<b>-</b>	<b>129</b>	<b>2,224</b>	<b>3,587</b>
<b>Net Block as at 31 March 2024</b>	<b>1,099</b>	<b>-</b>	<b>130</b>	<b>1,996</b>	<b>3,225</b>

Refer Note 2.3(d) for policy on amortisation

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 9: NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investment in equity shares (quoted) (fully paid up) (fair value through profit and loss)</b>		
4,715 (31 March 2023: 4,715) Equity shares of Punjab National Bank Limited of ₹ 2/- each fully paid up	3	3
<b>Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)</b>		
24,50,000 (31 March 2023: 24,50,000) equity shares of Avaada MHBuldana Private Limited Project of ₹10 each	245	245
88,448 (31 March 2023: 88,448) equity shares of Deepak International Limited of Sterling Pound of 1 each*	-	-
<b>Total (equity instruments)</b>	<b>248</b>	<b>248</b>
Aggregate amount of quoted investments and market value thereof	3	3
Aggregate amount of unquoted investments	245	245

\* Investment in Deepak International Ltd of ₹ 69 lakhs has been fair valued at ₹ Nil

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

### Note 10: CURRENT INVESTMENTS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Quoted</b>		
Investment in mutual funds (carried at fair value through profit and loss)	20,905	59,714
<b>Unquoted</b>		
Investment in commercial paper (carried at amortised cost)	4,923	-
<b>Total</b>	<b>25,828</b>	<b>59,714</b>
Aggregate carrying value of quoted investments	20,905	59,714
Aggregate market value of quoted investments	20,905	59,714
Aggregate carrying value of unquoted investments	4,923	-

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 11: TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Receivables		
<b>Unsecured, considered good*</b>	1,47,575	1,69,053
<b>Unsecured, credit Impaired</b>	5,954	6,016
Less: Impairment loss allowance	(5,954)	(6,016)
<b>Total</b>	1,47,575	1,69,053
Current portion of net trade receivables	1,47,575	1,69,053
Non - current portion of net trade receivables	-	-

\*Trade Receivables include ₹ 44,437 lakhs (31 March 2023 ₹ 87,899 Lakhs) towards fertiliser subsidy receivable from the Government of India.

#### Movement in allowance for expected credit loss:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at beginning of the year	6,016	5,820
Add: Allowance for expected credit loss	265	608
Less: Reversed / utilized during the year	(327)	(412)
<b>Balance as at the end of the year</b>	<b>5,954</b>	<b>6,016</b>

Trade receivables have been offered as security against the working capital facilities provided by the banks (Refer note 22).

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 39(i) on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Refer Note 41(b) for amount receivable from related parties which includes debts due by companies in which any director is a director or member.

The Group's exposure to customers is diversified and no other customers, contributes more than 10% of the outstanding receivables as at 31 March 2024 and 31 March 2023.

## Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

### Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment as on 31 March 2024						
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	1,10,277	34,333	2,291	525	106	44	1,47,575
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	101	133	130	127	373	5,090	5,954
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Impairment loss allowance	(101)	(133)	(130)	(127)	(373)	(5,090)	(5,954)
<b>Total</b>	<b>1,10,277</b>	<b>34,333</b>	<b>2,291</b>	<b>525</b>	<b>106</b>	<b>44</b>	<b>1,47,575</b>

Particulars	Outstanding for following periods from due date of payment as on 31 March 2023						
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	54,327	1,11,819	2,611	252	44	-	1,69,053
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	61	14	50	292	658	4,941	6,016
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Impairment loss allowance	(61)	(14)	(50)	(292)	(658)	(4,941)	(6,016)
<b>Total</b>	<b>54,327</b>	<b>1,11,819</b>	<b>2,611</b>	<b>252</b>	<b>44</b>	<b>-</b>	<b>1,69,053</b>



## Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

### Note 12: LOANS

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
<b>Unsecured, considered good</b>				
Advances to employees	104	-	105	-
Other loans	2	-	3	-
<b>Unsecured, considered doubtful</b>				
Other loans	205	-	205	-
Less: Provision for doubtful loans	(205)	-	(205)	-
<b>Total</b>	<b>106</b>	<b>-</b>	<b>108</b>	<b>-</b>

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

### Note 13: CASH & CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- in current accounts	22,528	15,259
Deposits with original maturity upto three months	64	12,665
Cash on hand	2	1
<b>Total</b>	<b>22,594</b>	<b>27,925</b>

The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

### Note 14: OTHER BANK BALANCES

Particulars	As at 31 March 2024	As at 31 March 2023
Earmarked balances with banks		
Unclaimed dividend	836	817
Deposits with remaining maturity upto 12 months from the reporting date	12,664	21,123
<b>Total</b>	<b>13,500</b>	<b>21,940</b>

### Note 15: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
<b>Unsecured, considered good</b>				
a. Derivative assets				
(i) Foreign-exchange option contracts	109	-	-	-
(ii) Commodity hedge contracts	12,209	-	-	-

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to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non Current	Current	Non Current
b. Interest receivable				
(i) From bank	4	-	27	-
(ii) From others	58	-	423	-
c. Security deposits	168	4,947	860	4,630
d. Bank deposits with more than 12 months maturity	-	4,275	-	1,240
e. Amount paid under protest for claims from supplier*	-	1,507	-	1,507
f. Incentive receivable from Government	18,877	-	5,430	-
g. Others	1,679	16	2,019	-
<b>Total</b>	<b>33,104</b>	<b>10,745</b>	<b>8,759</b>	<b>7,377</b>

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

\*Included in supplier claim (refer note 42)

### Note 16: OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	12,761	9,390
Balance with government authorities	7,499	48,084
Prepaid Expenses	335	491
Stamp duty paid under protest	2,500	2,500
<b>Total</b>	<b>23,095</b>	<b>60,465</b>

### Note 17: INVENTORIES

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials (includes ₹ NIL Lakhs in transit) (31 March 2023 ₹ 136 Lakhs)	34,726	35,899
Finished goods	52,365	52,007
Stock-in-trade	11,058	17,048
Stores and spares	19,160	19,154
Packing material	1,935	1,782
<b>Total</b>	<b>1,19,244</b>	<b>1,25,890</b>

(i) The cost of inventories recognised as an expense includes ₹ 59 Lakhs (31 March 2023: ₹ 567.40 Lakhs) in respect of write-down of inventories to net realisable value.

(ii) Refer Note 2.3(l) for policy on valuation of inventories.

(iii) Inventories has been offered as security against the working capital facilities provided by the banks (refer note 22)

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 18: OTHER CURRENT ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Advances for supply of goods and services	5,517	6,356
Balances with government authorities (includes GST, Custom duty etc)	44,597	13,520
Prepaid expenses	2,345	3,112
Other receivables	1,373	2,028
<b>Total</b>	<b>53,832</b>	<b>25,016</b>

### Note 19: SHARE CAPITAL

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised</b>		
13,50,50,000 equity shares of ₹ 10/- each.	13,505	13,505
(31 March 2023: 13,50,50,000 equity shares of ₹ 10/- each)		
	<b>13,505</b>	<b>13,505</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
12,62,37,825 equity shares of ₹ 10/- each.	12,624	12,624
(31 March 2023: 12,62,37,825 equity shares of ₹ 10/- each)		
<b>Fully paid-up share capital as at year end</b>	<b>12,624</b>	<b>12,624</b>

#### (i) Reconciliation of the number of Equity Shares

Equity Shares	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	12,62,37,825	12,624	12,05,92,948	12,059
Add: Shares issued by way of conversion of foreign currency convertible bonds (FCCB)	-	-	56,44,877	565
<b>Balance as at the end of the year</b>	<b>12,62,37,825</b>	<b>12,624</b>	<b>12,62,37,825</b>	<b>12,624</b>

#### Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having par value of ₹ 10 per share. Holder of each equity share is entitled to one vote per share.

The Holding Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Holding Company the holders of equity share will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts in proportion to their shareholding. The distribution will be in proportion to the numbers of equity shares held by the shareholder.

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(All amounts in ₹ Lakhs unless otherwise stated)

### ii. Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,35,92,875	34.53%	4,35,92,875	34.53%
Robust Marketing Services Private Limited	1,10,67,301	8.77%	1,08,52,301	8.60%

Shares held by promoters	As on 31 March 2024		As on 31 March 2023		% of Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
<b>Promoter Name</b>					
Class of Shares : Equity shares of ₹ 10/- each					
1) Shri Chimanlal K Mehta	-	0.00%	8,78,913	0.70%	-100.00%
2) Shri Sailesh C Mehta	1,731	0.00%	1,731	0.00%	0.00%
3) Smt. Parul S Mehta	1,409	0.00%	1,409	0.00%	0.00%
4) Shri Yeshil S. Mehta	1,15,000	0.09%	1,15,000	0.09%	0.00%
5) Nova Synthetic Limited	4,35,92,875	34.53%	4,35,92,875	34.53%	0.00%
6) Sofotel Infra Private Limited	19,41,546	1.54%	19,41,546	1.54%	0.00%
7) Robust Marketing Services Private Limited	1,10,67,301	8.77%	1,08,52,301	8.60%	1.98%
8) Shri Deepak Chimanlal Mehta	8,78,913	0.70%	-	0.00%	100.00%

### Note 20: OTHER EQUITY (Refer Statement of Changes in Equity for Reserves movement)

#### (ii) Nature and purpose of other equity

- (a) **Securities premium:** Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the 2013 Act.
- (b) **Capital redemption reserve:** The Group had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.
- (c) **General reserve:** This represents appropriation of profits by the Group to General Reserve and is available for distribution of dividend.
- (d) **Retained earnings :** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholder.
- (e) **Re-measurement of defined benefit plans -** This represents the cumulative gains and losses arising on the re-measurement of defined benefit plans in accordance with Ind AS 19 that have been recognised in other comprehensive income.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

- (f) Equity instruments through OCI** - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.
- (g) Foreign Currency Translation Reserve** - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.
- (h) Hedge Reserve** - Effective portion of fair value gain/(loss) on all financial instruments designated in cash flow hedge relationship are accumulated in hedge reserve.

### FINANCIAL LIABILITIES

#### Note 21: NON-CURRENT BORROWINGS

Particulars	Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2024	As at 31 March 2023
<b>A. Secured</b>				
<b>Term loans</b>				
(i) Bank of Baroda	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	8.15% to 9.40% per annum	-	13,606
(ii) Export Import Bank of India	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.00% to 8.80% per annum	12,395	15,654
(iii) Bank of Baroda	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	8.15% to 9.35% per annum	-	4,585
(iv) Bank of Baroda	Repayable in quarterly instalments starting from March 2024 and end date of September 2027	9.15% to 9.25% per annum	8,210	-
(v) State Bank of India	Repayable within 18 months	8.80% per annum	1,498	-
(vi) State Bank of India	Repayable in quarterly instalments starting from March 2024 and end date of March 2028	8.60% per annum	10,761	-
(vii) State Bank of India NPK	Repayable in 28 quarterly instalments starting from June 2017 onwards	9.95% per annum	-	5,585
(viii) Export Import Bank Of India NPK	Repayable in 28 quarterly instalments starting from June 2017 onwards	7.95% per annum	-	1,432

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(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2024	As at 31 March 2023
(ix) Bank of Baroda	Repayable in 20 quarterly instalments starting from June 2023 onwards	9.55% per annum	37,028	39,903
(x) Export Import Bank Of India	Repayable in 28 quarterly instalments starting from June 2020 onwards.	8.80% per annum	19,841	22,733
(xi) Export Import Bank Of India	Repayable in 16 quarterly installments starting December 2023	8.40%-8.80% per annum	9,241	7,746
(xii) Canara Bank TAN Project			5,795	1,246
(xiii) Union Bank of India TAN Project			2,820	584
(xiv) State Bank of India TAN Project	Repayable in 40 quarterly installments starting December 2026	9.30%-10.30% per annum	2,878	584
(xv) Punjab National Bank TAN Project			2,875	586
(xvi) Canara Bank Limited	Repayable in 32 quarterly installments starting from December 2024	9.05% per annum	46,627	-
(xvii) State Bank of India	Repayable in 32 quarterly installments starting from December 2024	8.39% per annum	39,751	-
(xviii) Bank of Baroda	Repayable in quarterly instalment starting from March 2023	9.90% per annum	-	146,022
(xix) Export Import Bank of India	Repayable in quarterly instalment starting from March 2023	9.90% per annum	-	47,736
(xx) Westpac, Australia	Repayable from one year to five years	3.11% - 6.76% per annum	5,854	3,865
<b>External Commercial Borrowings</b>				
(i) Asian Development Bank	Repayable in 8 semi-annual instalments starting 15 December 2023	8.30% per annum	10,783	12,163
<b>Debentures</b>				
(i) Non-convertible debenture	Bullet payment at the end of 3 years from date of allotment	9.75% per annum	89,178	-



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to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2024	As at 31 March 2023
<b>B. Unsecured</b>				
<b>Term loans</b>				
(i) Standard Chartered Bank	Repayable in 2 years starting from FY 2024-2025	10.44% per annum	24,872	-
<b>Debentures</b>				
(i) Compulsory convertible debentures - International Finance Corporation (IFC), USA	NA	8% per annum (IRR - 15.25%)	-	25,802
(ii) Optionally convertible debenture (OCD) - Robust Marketing Services Private Limited	Conversion any time after 1 year from date of allotment at option of holder	10 year Gsec + 1%	15,135	-
<b>Total</b>			<b>3,45,542</b>	<b>3,49,832</b>
Less: Current maturities of long-term debt (included in note 22)			39,281	26,734
<b>Total</b>			<b>3,06,261</b>	<b>3,23,098</b>

### Note:

- The term loan (i), (ii) and (vi) has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.
- The term loan (iii) has been availed to shore up the net working capital of the Holding Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.
- The term loan (iv) has been availed to shore up the net working capital of the Company. The term loan is secured by pari passu charge on immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL) with the subsisting mortgage/charge thereon in favour of the Lender for its Corporate Loan of ₹ 400 cr sanctioned to Mahadhan AgriTech Limited. Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.
- The term loan (v) has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu charge on project specific assets of upcoming Nitric Acid plant at Dahej, Gujarat.
- The term loans from State Bank of India (i) and Export Import Bank of India (ii) which were availed for financing Nitro Phosphate Plant (NPK project) have been repaid in FY 23-24.
- The term loan from Bank of Baroda (ix) has been availed to shore up the net working capital of the subsidiary Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, Yerrowda Investments Limited (YIL). Corporate Guarantee of YIL to the extent of the value of Immovable property is offered to Bank of Baroda.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

- g) The term loans from Export Import Bank of India (x) are secured by exclusive charge over the movable fixed assets by way of hypothecation and immovable fixed assets by way of mortgage of the Company situated at Plot No. K7 and K8 at MIDC, Talaja.
- h) The term loans from Canara Bank, Punjab National Bank, State Bank of India and Union Bank of India (xii to xv) have been availed for financing of TAN Gopalpur Project. The term loan are secured by way of first pari passu charge on TAN Project movable and immovable assets (present and future).
- i) The unsecured term loan from Standard Chartered Bank (i) has been availed by Subsidiary company where the Hodling Company has provided its Corporate guarantee throughout the tenor of the loan facility along with non-disposable undertaking and negative pledge over 75% of shares of Company.
- j) The External Commercial Borrowing (ECB) from Asian Development Bank (i) has been availed for the purpose of financing the capital expenditure of fertilisers manufacturing plants located at Talaja, Dist. Raigad. The ECB is to be secured by first ranking pari passu charge to be created over NPK assets situated at Talaja, Dist. Raigad.
- k) The term loans from SBI and Canara Bank (xvi) & (xvii) have been availed for Ammonia Project at Talaja. Further NCD (iii) has also been availed for Ammonia Project. The said term loans & NCDs are secured by first charge by way of hypothecation in favour of all lenders of movable assets, immovable properties, and all the intangible assets in relation to the project, both present and future and second charge on current assets of the project.
- l) The term loan availed from Westpac, Australia (xx) is secured by charge on the movable and immovable fixed assets of the subsidiary and floating charge on current assets of subsidiary.
- m) The Group has used the borrowings taken from banks and financial institution for the specific purposes for which they were taken as at the balance sheet date.
- n) The Indian companies in the Group have registered all the required charges with Registrar of Companies within the statutory period.

### Note 22: CURRENT BORROWINGS

Particulars	Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2024	As at 31 March 2023
<b>From banks</b>				
<b>Secured</b>				
- Short-term loans from banks	Repayable within one year	Average 8.28% per annum	58,983	3,227
-Current maturities of non-current borrowings			39,281	26,734
-Buyer's credit	Repayable within 180 days	Average 4.16% per annum	-	8,278
<b>Total</b>			<b>98,264</b>	<b>38,239</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

- (a) Short term loan from banks have been availed to shore up working capital of subsidiaries in the Group. It is secured by pari passu charge on current assets of the respective subsidiary company.
- (b) Buyer's credits are generally due within 180 days and carry variable rate of interest (average Interest rate for the year was - Nil (31 March 2023 - 4.16%) and are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.
- (c) The Indian Companies in the Group have filed the statements of current assets as per sanction letters with the banks and are in agreement with books of account.

### CHANGES IN FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITY AS REQUIRED BY Ind AS 7 "STATEMENT OF CASH FLOWS"

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current borrowings (refer note 21)	3,06,261	3,23,098
Current borrowings (refer note 22)	98,264	38,239
Interest accrued (refer note 23)	2,530	1,640
Non-current Lease liabilities (refer note 6)	7,490	5,442
Current Lease liabilities (refer note 6)	2,870	3,109
	<b>4,17,415</b>	<b>3,71,528</b>
<b>Cash and Non-cash adjustments</b>		
Conversion of Foreign Currency Conversion Bonds to Equity Share Capital and Securities Premium	-	(9,499)
Foreign currency translation differences	154	161
Proceeds from borrowings - non current	261,022	135,245
Repayment of borrowings - non current	(308,446)	(22,973)
Proceeds from borrowings - current (net)	75,301	-
OCD issued as consideration for purchase of shares	15,135	-
(Decrease)/ Increase in interest accrued	890	598
Interest on lease liability	681	708
Addition on account of new leases	4,662	6,667
Lease payments	(3,512)	(2,485)
Other	-	(3,569)
<b>Movement of borrowings (net)</b>	<b>45,887</b>	<b>1,04,853</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 23: OTHER FINANCIAL LIABILITIES

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non-current</b>		
Security deposits	7,911	6,242
Embedded Derivative liability	-	100
<b>Total</b>	<b>7,911</b>	<b>6,342</b>
<b>Current</b>		
Interest accrued and not due on borrowings	2,530	1,640
Security deposits	2,969	2,718
Capital creditors	22,945	10,012
Commission payable to directors	5,603	19,106
Foreign Currency Options	-	231
Salary payables	5,224	5,109
Unclaimed dividend (#)	836	817
Others*	4,785	3
<b>Total</b>	<b>44,892</b>	<b>39,636</b>

(#) ₹ 99 Lakhs (31 March 2023 ₹ 74 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company except for ₹ 0.37 Lakhs (31 March 2023 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

\*Includes a liability of ₹ 4,785 Lakhs (31 March 2023: ₹ Nil) on account of a channel financing arrangement, where the bank pays the Group for goods bought by authorized dealers when due and the dealers then pay the bank as per the agreed terms. The Group recognises financial liability to the extent that it has issued First Loss Default Guarantee.

### Note 24: PROVISIONS

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
<b>Provision for employee benefits</b>				
Gratuity	927	4,390	880	4,198
Compensated absences	1,241	1,639	1,128	1,546
Defined pension benefits	215	452	343	218
<b>Total (A)</b>	<b>2,383</b>	<b>6,481</b>	<b>2,351</b>	<b>5,962</b>
Provisions for tax contingencies#	3,624	-	3,542	-
Provision for site restoration*	-	125	-	125
<b>Total (B)</b>	<b>3,624</b>	<b>125</b>	<b>3,542</b>	<b>125</b>
<b>Total (A+B)</b>	<b>6,007</b>	<b>6,606</b>	<b>5,893</b>	<b>6,087</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Movement in Provisions

Particulars	Tax contingencies#	Site restoration*	Compensated absences
<b>As at 1 April 2022</b>	<b>3,863</b>	<b>517</b>	<b>2,734</b>
Additional provisions recognised	-	-	-
Unused amounts reversed	(321)	(392)	(60)
<b>As at 1 April 2023</b>	<b>3,542</b>	<b>125</b>	<b>2,674</b>
Additional provisions recognised	82	-	206
Excess amounts reversed/utilised	-	-	-
<b>As at 31 March 2024</b>	<b>3,624</b>	<b>125</b>	<b>2,880</b>

# The provision is mainly on account of Entry tax, MVAT applicable on purchase of natural gas and income tax provision.

\* The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

### (A) Defined Contribution Plans (refer Note 33)

The Group has certain defined contribution plans such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Group has contributed following amounts to:

Particulars	As at 31 March 2024	As at 31 March 2023
Employer's contribution to provident fund	1,178	998
Employer's contribution to employee's pension scheme	300	281
Employer's contribution to superannuation fund	837	793
Employer's contribution to employee state insurance	6	9
<b>Total</b>	<b>2,321</b>	<b>2,081</b>

### (B) Defined Benefit Plans

#### i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.20% p.a. (31 March 2023: 7.40% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2023: 60 years), withdrawal rate is 10% p.a. (31 March 2023: 10% p.a.) and mortality table is as per IALM (2012-14) ult (31 March 2023: IALM (2012-14) ult).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2023: 8% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 7.40% p.a. (31 March 2023: 6.90% p.a).

### Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	11,257	10,507
Current service cost	784	747
Transfer in/(out)	69	-
Interest cost	805	698
Actuarial loss	860	(60)
Benefits paid	(877)	(635)
Present value of obligation at the end of the year	12,898	11,257

### Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the end of the year	12,898	11,257
Fair value of plan assets at the end of the year	7,581	6,179
Net liabilities recognised in the Balance Sheet	5,317	5,078

### Fair value of Plan assets :

Particulars	As at 31 March 2024	As at 31 March 2023
Plan assets at the beginning of the year	6,179	5,267
Interest income	148	104
Expected return on plan assets	359	288
Contribution by employer	866	835
Actual benefits paid	-	(323)
Actuarial gain/(loss)	29	8
Plan assets at the end of the year	7,581	6,179



## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2024	As at 31 March 2023
Current service cost	784	747
Transfer in/(out)	51	-
Interest cost	316	320
Expense recognised in the Statement of Profit and Loss	1,151	1,067

### Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2024	As at 31 March 2023
Actuarial loss on defined benefit obligation	860	(60)
Actuarial (gain) on plan assets	(47)	(21)
Amount recognised in the Other Comprehensive Income	813	(81)

### Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	As at 31 March 2024	As at 31 March 2023
Experience Loss on plan liabilities	765	225
Demographic Loss on plan liabilities	-	(50)
Financial (Gain) / Loss on plan liabilities	96	(236)
Experience (Gain) / Loss on plan assets	(12)	(6)
Financial Loss on plan assets	(35)	(15)

### Categories of the fair value of total plan assets:

Particulars	As at 31 March 2024	As at 31 March 2023
Funds managed by insurer	7,581	6,179
(%) of total plan assets	100%	100%

### Sensitivity analysis :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(468)	518	(441)	491

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to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Future salary increase		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	414	(382)	384	(351)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

**Maturity profile of defined benefit obligation (Gratuity) is as follows:**

Particulars	As at 31 March 2024	As at 31 March 2023
Within the next 12 months (next annual reporting period)	4,140	3,287
Later than 1 year and not later than 5 years	7,123	5,586
Later than 5 year and not later than 9 years	5,694	4,492
<b>Total expected payments</b>	<b>16,957</b>	<b>13,365</b>

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 7.4 years (31 March 2023: 7.53 years)

### RISK EXPOSURE AND ASSET LIABILITY MATCHING

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as Group takes on uncertain long term obligations to make future benefit payments.

#### 1. Liability Risks

##### a. Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralize valuation swings caused by interest rate movements.

##### b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

##### c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### 2. Asset Risks

Plan assets are maintained in a trust fund partly managed by a public sector insurer viz; LIC of India and partly managed by a private sector insurer viz; India First Life Insurance.

The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

### ii. Defined pension benefits

The Group has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel expenses, telephone reimbursement, club membership etc. for specified number of year. The liability is provided for on the basis of an independent actuarial valuation.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.20% p.a. (31 March 2023: 7.40% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2023: 60 years), withdrawal rate is 10% p.a. (31 March 2023: 8% p.a.) and mortality table is as per IALM (2012-14) ult (31 March 2023: IALM (2012-14) ult).

#### Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	561	590
Current service cost	102	79
Past service cost	-	-
Interest cost	40	39
Actuarial loss	16	(90)
Benefits paid	(52)	(57)
Present value of obligation at the end of the year	667	561

#### Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2024	As at 31 March 2023
Current service cost	102	79
Interest cost	40	39
Expense recognised in the Statement of Profit and Loss	142	118

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to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2024	As at 31 March 2023
Remeasurements Cost / (Credit )	16	(90)
Amount recognised in the Other Comprehensive Income	16	(90)

### Sensitivity analysis :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Discount rate		Discount rate	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(149)	203	(131)	181

### Note 25: TRADE PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade payables</b>		
(a) total outstanding dues of micro and small enterprises	7,067	5,737
(b) total outstanding dues of creditors other than micro and small enterprises	1,21,419	1,71,999
<b>Total</b>	<b>1,28,486</b>	<b>1,77,736</b>

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group. The amount of principal and interest outstanding during the year is given below :

	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	7,067	5,737
- Principal amount outstanding (whether due or not) to micro and small enterprises	5,804	5,132
- Interest due thereon	19	6
The amount of interest paid by the Group in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	26,532	61,759
Amount of interest due and payable on delayed payments	129	350
Amount of interest accrued and remaining unpaid as at year end	1,263	605
The amount of further interest remaining due and payable even in the succeeding year	-	-

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Trade Payables aging schedule

Particulars	As on 31 March 2024 - Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3,742	2,264	354	388	319	7,067
(ii) Others	15,031	84,185	538	241	1,191	1,01,186
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	20,233	-	-	-	-	20,233
<b>Total</b>	<b>39,006</b>	<b>86,449</b>	<b>892</b>	<b>629</b>	<b>1,510</b>	<b>1,28,486</b>

Particulars	As on 31 March 2023 - Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	240	4,765	404	187	141	5,737
(ii) Others	8,306	1,55,784	759	161	991	1,66,000
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	5,999	-	-	-	-	5,999
<b>Total</b>	<b>14,545</b>	<b>1,60,549</b>	<b>1,163</b>	<b>348</b>	<b>1,132</b>	<b>1,77,736</b>

### Note 26: DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
The balance comprises temporary differences attributable to:		
(a) Deferred tax assets	14,420	54,236
(b) Deferred tax liabilities	(4,716)	(54,320)
<b>Net deferred tax liabilities</b>	<b>9,704</b>	<b>(84)</b>

The Group does not have legally enforceable right to set off deferred tax asset amounting to ₹ 14,420 Lakhs (31 March 2023: Nil) against deferred tax liability and therefore shown separately on face of the balance sheet.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Movements during the year ended 31 March 2024

Particulars	1 April 2023	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in equity	Charge/(Credit) in the Other Comprehensive Income	As at 31 March 2024
Property, plant and equipment, investment property and intangibles assets	(54,320)	1,397	-	-	(52,923)
Business loss	42,417	8,531	-	-	50,948
Financial assets at fair value through profit or loss	478	(21)	-	-	457
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	2,242	419	-	213	2,874
Foreign Currency Convertible Bonds	-	-	-	-	-
Impairment Provision	-	-	-	-	-
Financial assets at fair value through OCI	18	3,537	-	(3,142)	413
Deferred Tax on Consolidation	8,516	(87)	-	-	8,429
Others	565	(1,059)	-	-	(494)
<b>Net deferred tax liabilities</b>	<b>(84)</b>	<b>12,717</b>	<b>-</b>	<b>(2,929)</b>	<b>9,704</b>

### Movements during the year ended 31 March 2023

Particulars	1 April 2022	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in equity	Credit/(Charge) in the Other Comprehensive Income	As at 31 March 2023
Property, plant and equipment, investment property and intangibles assets	(52,403)	(1,917)	-	-	(54,320)
Business loss	42,916	(499)	-	-	42,417
Financial assets at fair value through profit or loss	788	(310)	-	-	478
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	2,427	(130)	-	(55)	2,242
Foreign Currency Convertible Bonds	(435)	435	-	-	-
Impairment Provision	375	(375)	-	-	-
Financial assets at fair value through OCI	(324)	-	-	342	18
Deferred Tax on Consolidation	10,139	(1,623)	-	-	8,516
Others	432	133	-	-	565
<b>Net deferred tax assets</b>	<b>3,915</b>	<b>(4,286)</b>	<b>-</b>	<b>287</b>	<b>(84)</b>



## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 27: OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Advances from customers	3,156	2,196
Statutory dues payable	8,660	5,937
Other payables	3,439	3,201
<b>Total</b>	<b>15,255</b>	<b>11,334</b>

### Note 28: REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Sale of products</b>		
Finished goods	5,92,588	8,00,421
Traded goods	1,15,562	68,180
Subsidy on traded fertilisers	41,449	43,132
Subsidy on manufactured fertilisers	99,437	2,09,129
Revenue from realty business	1,697	1,412
Other operating revenues:		
Incentive income*	15,943	6,282
Others	933	1,513
<b>Total</b>	<b>8,67,609</b>	<b>11,30,069</b>

\* Incentive under Scheme for incentive to industries (general) 2016-2021 of State of Gujarat for Dahej Plant, State of Maharashtra for NPK Plant and Ammonia Plant.

### Contracts with customer

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue recognised from contracts with customers	8,67,609	11,30,069
<b>Disaggregation of revenue</b>		
Based on type of goods		
Sale of finished goods -		
(i) Sale of chemicals	4,72,663	6,32,802
(ii) Sale of fertilisers	2,77,080	3,88,881
Sale of traded goods -		
(i) Industrial Chemicals	6,572	8,332
(ii) Fertilisers	1,08,990	97,950
(iii) Value added real estate (VARE) - Sale of furniture	607	692
- Income from realty operation	1,697	1,412
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	5,954	6,016

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Details of contract balances:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of receivables	1,69,053	62,004
Closing balance of receivables	1,47,575	1,69,053

### Significant changes in the contract liability balances during the year ended are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Contract liabilities at the beginning of the year</b>	<b>2,196</b>	<b>4,749</b>
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	2,196	4,749
Increase due to cash received, excluding amounts recognised as revenue during the year	3,156	2,196
<b>Contract liabilities at the end of the year</b>	<b>3,156</b>	<b>2,196</b>

There is no significant change in the contract asset and contract liabilities.

### Performance obligations

The Group satisfies its performance obligations pertaining to the sale of products at point in time when the control of goods is actually transferred to the customer. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days.

The Group is obliged for refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

### Transaction price

Revenue has been recognised till period end for satisfied performance obligations only. Further, the Group has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Group does not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

### Determining the timing of satisfaction of performance obligations

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Group (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

### Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	9,67,769	11,97,102
Less:		
Amount recognised as Discounts / shortages	1,00,160	67,033
<b>Revenue recognised in statement of profit and loss</b>	<b>8,67,609</b>	<b>11,30,069</b>

### Cost to obtain contract or fulfil a contract

There is no significant cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

### Note 29: OTHER INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from financial assets measured at amortized cost	2,060	1,838
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	146	300
Net gain on sale of investments	3,204	3,376
Gain on sale of land and property, plant and equipment*	5,315	11
Unwinding of discount on security deposits	255	175
Interest on Income Tax Refund	56	1,292
Other non-operating income	1,240	1,410
<b>Total</b>	<b>12,276</b>	<b>8,402</b>

\* Includes profit on assignment of leasehold rights over the vacant land and building of the company situated at Vashi, Navi Mumbai, as part of the strategy to divest non-core assets amounting to ₹ 5,290 lakhs.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 30: COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials as at the beginning of the year	35,899	45,013
Add: Purchases during the year	4,87,046	6,84,745
Less: Raw material as at the end of the year	34,726	35,899
<b>Total</b>	<b>4,88,219</b>	<b>6,93,859</b>

### Note 31: PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of stock-in-trade	95,962	1,01,698
<b>Total</b>	<b>95,962</b>	<b>1,01,698</b>

### Note 32: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening balance</b>		
Finished goods	52,007	32,480
Stock-in-trade	17,048	7,941
<b>Total opening balance</b>	<b>69,055</b>	<b>40,421</b>
<b>Closing balance</b>		
Finished goods	52,365	52,007
Stock-in-trade	11,058	17,048
<b>Total closing balance</b>	<b>63,423</b>	<b>69,055</b>
<b>Total changes in inventories of stock-in-trade and finished goods</b>	<b>5,632</b>	<b>(28,634)</b>

### Note 33: EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	47,431	54,740
Contribution to provident fund & other funds	2,321	2,081
Gratuity (refer note 24)	1,151	1,067
Post-employment pension benefits (refer note 24)	142	118
Staff welfare expenses	1,608	1,436
<b>Total</b>	<b>52,653</b>	<b>59,442</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 34: FINANCE COSTS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest cost on financial liabilities measured at amortized cost	38,941	19,224
Less: Interest capitalised	(1,511)	(3,501)
Finance charges on finance leases	681	708
Interest others	966	992
Other borrowing costs	1,299	2,015
Exchange differences regarded as an adjustment to borrowing costs	-	35
<b>Total</b>	<b>40,376</b>	<b>19,473</b>

### Note 35: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	28,797	20,662
Depreciation on right of use asset	3,549	3,037
Depreciation of investment property	444	-
Amortisation on intangible assets	653	620
<b>Total</b>	<b>33,443</b>	<b>24,319</b>
Less: Depreciation on right of use asset transferred to capital work in progress	(70)	(398)
<b>Total</b>	<b>33,373</b>	<b>23,921</b>

### Note 36: OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	12,499	11,739
Power, fuel and water*	11,049	8,303
Repairs to :		
- Building	944	1,153
- Plant and machinery	11,014	9,506
- Others	2,466	2,367
Rent	2,005	1,468
Insurance	3,475	3,134
Rates, taxes and duties	2,350	1,758
Travelling and conveyance	2,564	2,107
Legal and professional fees	6,281	5,252
Payments to auditors	115	102

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Directors' sitting fees	123	101
Carriage outward (net)	25,763	21,538
Warehouse and handling charges	549	538
Loss on disposal of property, plant and equipment	18	-
Commission on sales	450	371
Sales and promotion expenses	3,215	2,725
Donations	23	28
Utility services	1,802	1,422
Communication expenses	141	175
Corporate social responsibility expenditure	2,097	930
Bad debts	117	414
Provision for doubtful debts	(62)	196
Provision for doubtful advances	263	-
Foreign exchange fluctuations loss (net)	2,011	6,529
Miscellaneous expenses	5,202	5,304
<b>Total</b>	<b>96,474</b>	<b>87,160</b>

\* MSEB electricity duty provision taken for ₹ 176 Lakhs (31 March 2023 : ₹ 175 Lakhs). The same has been reduced from contingent liability.

### Note 37: EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the group by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity Shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Numerator for basic and diluted EPS</b>		
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for basic EPS	44,251	1,21,010
Add: Adjustment for interest on Foreign currency convertible bonds post tax	-	-
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for diluted EPS	44,251	1,21,010



## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Denominator for basic and diluted EPS</b>		
Weighted average number of equity shares for basic EPS	12,62,37,825	12,38,56,151
Add: Adjustment for Foreign currency convertible bonds	-	-
Weighted average number of equity shares for diluted EPS	12,62,37,825	12,38,56,151
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	35.05	97.70
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	35.05	97.70

### Note 38: FAIR VALUE MEASUREMENTS

#### (i) Financial instruments by category

Particulars	As at 31 March 2024			As at 31 March 2023		
	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments other than investments in associates	3	245	-	3	245	-
- Mutual funds	20,905	-	-	59,714	-	-
- Commercial Paper	-	-	4,923	-	-	-
Trade receivables	-	-	1,47,575	-	-	1,69,053
Cash and cash equivalents	-	-	22,594	-	-	27,925
Other bank balances	-	-	13,500	-	-	21,940
Loans	-	-	106	-	-	108
Other financial assets						
- Derivative financial assets, designated as hedges	109	12,209	-	-	-	-
- Others	-	-	31,531	-	-	16,125
<b>Total financial assets</b>	<b>21,017</b>	<b>12,454</b>	<b>2,20,229</b>	<b>59,717</b>	<b>245</b>	<b>2,35,151</b>
<b>Financial liabilities</b>						
Borrowings	-	-	4,04,525	-	-	3,61,337
Lease Liabilities	-	-	10,360	-	-	8,551
Trade payables	-	-	1,28,486	-	-	1,77,736
Other financial liabilities						
- Derivative financial liabilities, designated as hedges	-	-	-	231	-	-
- Capital creditors	-	-	22,945	-	-	10,012
- Security deposits	-	-	10,880	-	-	8,960

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost
- Interest accrued	-	-	2,530	-	-	1,640
- Embedded derivative	-	-	-	100	-	-
- Others	-	-	16,448	-	-	25,035
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,96,174</b>	<b>331</b>	<b>-</b>	<b>5,93,271</b>

### (ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

The different levels have been defined as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value	As at 31 March 2024				As at 31 March 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Financial Investments at FVPL</b>								
Equity instruments other than investments in associates	3	-	-	3	3	-	-	3
Mutual funds	20,905	-	-	20,905	59,714	-	-	59,714
<b>Financial Investments at FVOCI</b>								
Equity instruments	-	-	245	245	-	-	245	245
<b>Derivatives</b>								
Foreign exchange forward contracts/ options	-	109	-	109	-	-	-	-
Commodity Hedge contract	-	12,209	-	12,209	-	-	-	-
<b>Total financial assets</b>	<b>20,908</b>	<b>12,318</b>	<b>245</b>	<b>33,471</b>	<b>59,717</b>	<b>-</b>	<b>245</b>	<b>59,962</b>
<b>Financial liabilities</b>								
<b>Derivatives</b>								
Foreign exchange forward contracts/ options	-	-	-	-	-	231	-	231
Embedded derivative	-	-	-	-	-	100	-	100
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2024 and 31 March 2023.

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.

### (iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

- a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that ranges.
- c) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investor.
- d) The Group enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.
- e) The investment measured at fair value and falling under fair value hierarchy Level 3 pertains to investment in equity shares of Avaada MHBudhana Private Limited which is regulated by the terms stated in the share purchase agreement. These shares held by the Group are subject to specific limitations regarding the Group's ability to sell them and the permissible valuation at which they can be sold. Given the nature of these restrictions and the management's overall intention concerning the equity shares, the fair value attributed to such shares by the Group is equivalent to their original cost.

### Note 39: FINANCIAL RISK MANAGEMENT

#### Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

#### i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans, investments and balances with banks.

The carrying amount of financial assets represents the maximum credit risk exposure.

#### Trade receivables and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

There is no substantial concentration of credit risk as the revenue and trade receivables from any of the single customer do not exceed 10% of Group revenue.

#### Expected credit loss for trade receivables:

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), ₹ 3,333 Lakhs [31 March 2023: ₹2,907 Lakhs]. There is no concentration of credit risk in trade receivables either at 31 March 2024 or 31 March 2023.

### Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	31 March 2024	31 March 2023
Balance at the beginning of the year	6,016	5,820
Add: Provided during the year (net of reversal)	265	608
Less: Amount written off	(327)	(412)
Balance at the end of the year	5,954	6,016

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly there are no significant provisions for expected credit loss on these balance financial assets.

### ii. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed periodically by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2024	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings	4,04,525	98,264	2,55,655	50,606	4,04,525
Lease Liabilities	10,360	2,870	7,490	-	10,360
Trade payables	1,28,486	1,28,486	-	-	1,28,486
Interest accrued	2,530	2,530	-	-	2,530
Security deposits	10,880	2,969	7,911	-	10,880
Capital creditors	22,945	22,945	-	-	22,945
Other financial liabilities	16,448	16,448	-	-	16,448
<b>Total non-derivative liabilities</b>	<b>5,96,174</b>	<b>2,74,512</b>	<b>2,71,056</b>	<b>50,606</b>	<b>5,96,174</b>
<b>Derivatives financial liabilities</b>					
Foreign exchange forward contracts	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2023	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings	3,61,337	38,239	1,23,267	1,99,831	3,61,337
Lease Liabilities	8,551	3,109	5,436	6	8,551
Trade payables	1,77,736	1,77,736	-	-	1,77,736
Interest accrued	1,640	1,640	-	-	1,640
Security deposits	8,960	2,718	6,242	-	8,960
Capital creditors	10,012	8,613	1,399	-	10,012
Other financial liabilities	25,134	24,629	-	505	25,134
<b>Total non-derivative liabilities</b>	<b>5,93,370</b>	<b>2,56,684</b>	<b>1,36,344</b>	<b>2,00,342</b>	<b>5,93,370</b>
<b>Derivatives financial liabilities</b>					
Foreign exchange forward contracts	231	231	-	-	231
<b>Total derivative liabilities</b>	<b>231</b>	<b>231</b>	<b>-</b>	<b>-</b>	<b>231</b>

### iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### a. Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group. The currencies in which the Group is exposed to risk are USD, AED and EUR.

The Group follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

#### Exposure to currency risk

- (i) The Group's exposure to foreign currency risk at the end of the reporting period is presented in Note no 43.
- (ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.



## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Impact on profit before tax	
	31 March 2024	31 March 2023
<b>USD sensitivity</b>		
₹/USD - appreciated by 1% (31 March 2023 - 1%)	(871)	(1,191)
₹/USD - depreciated by 1% (31 March 2023 - 1%)	871	1,191
<b>EUR sensitivity</b>		
₹/EUR - appreciated by 1% (31 March 2023 - 1%)	-	-
₹/EUR - depreciated by 1% (31 March 2023 - 1%)	-	-

### 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 Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

#### Exposure to interest rate risk

The following table provides a break-up of the Group's fixed and floating rate borrowings:

Particulars	31 March 2024	31 March 2023
Variable rate borrowings	3,15,347	2,72,161
Fixed rate borrowings	89,178	25,802
<b>Total borrowings</b>	<b>4,04,525</b>	<b>2,97,963</b>

### (ii) Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended 31 March 2024 would decrease / increase by ₹ 1,577 Lakhs (for the year ended 31 March 2023: decrease / increase by ₹ 1,361 Lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 40 : CAPITAL MANAGEMENT

#### (a) Risk Management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

Particulars	31 March 2024	31 March 2023
Net debt	3,68,431	2,48,098
Total equity	5,44,604	5,19,327
<b>Net debt to equity ratio</b>	<b>0.68</b>	<b>0.48</b>

#### b) Dividends

Particulars	31 March 2024	31 March 2023
(i) Equity shares		
Final dividend for the year ended 31 March 2023 of ₹ 10 per fully paid equity share (31 March 2022 of ₹ 9 per fully paid equity share)	12,624	10,853
(ii) Dividend not recognised at the end of the reporting period		
Since year end the directors have recommended the payment of a final dividend of ₹ 8.50 per fully paid equity share (31 March 2023 : ₹ 10.00 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	10,730	12,624

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 41(a) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS

<b>A</b>	<b>Jointly Controlled Entity</b>	<b>(c)</b>	<b>Non-executive Independent directors</b>
1	Yerrowda Investments Limited	1	Mr. Partha Sarathi Bhattacharyya
<b>B</b>	<b>Entities over which key managerial personnel are able to exercise significant influence:</b>	2	Mr. Bhuwan C Tripathi
1	Robust Marketing Services Private Limited	3	Mr. Sujal Shah
2	Nova Synthetic Limited	4	Ms. Varsha Vasant Purandare
3	The Lakaki Works Pvt. Ltd.	5	Mr. Jayesh Shah
4	High Tide Investments Pvt.Ltd.	6	Mr. Sanjay Gupta
5	Deepak Asset Reconstruction Pvt.Ltd.	7	Mr. Sitaram Kunte
6	Ishanya Foundation	8	Mr. Terje Bakken
7	Deepak Foundation	9	Mr Ashok Kumar Purwaha [Upto 09.08.2023]
8	M/s. Juris Corp, Advocates and Solicitors	11	Mr. Alok Perti
9	Blueplanet Consultancy & Advisory (OPC) Private Limited	<b>(d)</b>	<b>Chief Finance Officer</b>
10	Peerless General Finance and Investment Company Ltd		Mr. Amitabh Bhargava (upto 31.07.23)
11	Greypoint Investments Private Limited		Mr. Deepak Rastogi (w.e.f. 01.08.23)
12	World of Performing Arts Foundation	<b>(e)</b>	<b>Company Secretary</b>
			Mr. Gaurav Munoli
<b>C</b>	<b>Entities over which relatives of key managerial personnel are able to exercise significant influence:</b>		Mr. Pankaj Gupta
1	Deepak Nitrite Limited	<b>E</b>	<b>Close member of key management personnel</b>
2	Deepak Phenolics Limited	1	Ms. Rajvee Mehta
3	Sofotel Infra Private Ltd	2	Mr. Ajay Chimanlal Mehta
4	Blue Shell Investments Pvt. Ltd.	3	Mr. Deepak Chimanlal Mehta
5	Storewell Credits And Capital Pvt. Ltd.	4	Mr. Andre Luciano Moscoso Arevalo
6	Deepak Novachem Technologies Limited		
<b>D</b>	<b>Key management personnel</b>		
<b>(a)</b>	<b>Executive directors</b>		
1	Mr. Sailesh Chimanlal Mehta		
2	Mr. Yeshil Sailesh Mehta		
<b>(b)</b>	<b>Non-executive directors</b>		
1	Mrs. Parul Sailesh Mehta		
2	Mr. Madhumilan Parshuram Shinde		

# Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

## Note : 41(b) Consolidated Related Party transactions

Sr. No.	Nature of Transactions	31 March 2024				31 March 2023				
		Jointly Controlled Entity	Key Management Personnel	Close members of Key Management Personnel	Other related parties	Total	Jointly Controlled Entity	Key Management Personnel	Close members of Key Management Personnel	Other related parties
1	<b>Sale of goods</b>									
	Deepak Nitrite Limited	-	-	-	8,412	-	-	-	-	8,412
	Deepak Novachem Technologies Limited	-	-	-	15	-	-	-	-	15
2	<b>Rendering of services/reimbursement of expenses</b>									
	Ishanya Foundation	-	-	-	12	-	-	-	-	12
	Yerrowda Investments Limited	-	-	-	-	29	-	-	-	29
3	<b>Purchase of goods and services</b>									
	Ishanya Foundation	-	-	-	(0)	-	-	-	-	(0)
4	<b>Receiving of services/reimbursement of expenses</b>									
	Mr. Madhumilan Parshuram Shinde	-	(33)	-	-	-	(39)	-	-	(33)
	Mr. Tapan Kumar Chatterjee	-	(7)	-	-	-	(12)	-	-	(7)
	Deepak Foundation	-	-	-	-	-	-	-	(2)	(2)
	M/s. Juris Corp. Advocates and Solicitors	-	-	-	(22)	-	-	-	(31)	(22)
5	<b>Interest on loan taken</b>									
	Robust Marketing Services Private Limited	-	-	-	(1,079)	-	-	-	-	(1,079)
6	<b>CSR contribution</b>									
	Ishanya Foundation	-	-	-	(602)	-	-	-	-	(602)
7	<b>Remuneration &amp; commission (including perquisites)</b>									
	Mr. Sailesh Mehta	-	(3,334)	-	-	-	(12,999)	-	-	(3,334)
	Mr. Yeshil Mehta	-	(2,974)	-	-	-	(6,472)	-	-	(2,974)
	Mr. Amitabh Bhargava (upto 31.07.23)	-	(110)	-	-	-	(475)	-	-	(110)
	Mr. Deepak Rastogi (w.e.f. 01.08.23)	-	(267)	-	-	-	-	-	-	(267)
	Mr. Ritesh Choudhary	-	-	-	-	-	(97)	-	-	-
	Mr. Pankaj Gupta	-	(80)	-	-	-	(69)	-	-	(80)
	Mr. Gaurav Munoli	-	(35)	-	-	-	-	-	-	(35)
	Ms. Rajvee Sailesh Mehta	-	-	(64)	-	-	-	(58)	-	(64)
	Other directors commission	-	(380)	-	-	-	(455)	-	-	(380)
8	<b>Lease rental income</b>									
	Deepak Nitrite Limited	-	-	-	31	-	-	-	-	31
	Yerrowda Investments Limited	-	-	-	8	-	-	-	-	8
9	<b>Lease rental expenses</b>									
	Mr. Sailesh Mehta	-	(50)	-	-	-	(50)	-	-	(50)
	Robust Marketing Services Private Limited	-	-	-	(45)	-	-	-	-	(45)

# Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2024				31 March 2023				
		Jointly Controlled Entity	Key Management Personnel	Close members of Key Management Personnel	Other related parties	Total	Jointly Controlled Entity	Key Management Personnel	Close members of Key Management Personnel	Other related parties
10	<b>Loan and Advances (Availed)</b>									
	Robust Marketing Services Private Limited (Optionally Convertible Debentures)	-	-	15,135	-	-	-	-	-	-
11	<b>Equity share of subsidiary company purchased</b>									
	Robust Marketing Services Private Limited	-	-	15,137	-	-	-	-	-	-
12	<b>Amount outstanding</b>									
	<b>Remunerations payable</b>									
	Mr. Sailesh Mehta	-	(2,395)	-	-	(2,395)	-	(12,300)	-	(12,300)
	Mr. Yeshit Mehta	-	(2,828)	-	-	(2,828)	-	(6,350)	-	(6,350)
	Other directors commission	-	(380)	-	-	(380)	-	(455)	-	(455)
	<b>Trade receivables</b>									
	Deepak Nitrite Limited	-	-	937	-	937	-	-	2,752	2,752
	Yerrowda Investments Limited	-	-	-	-	-	-	-	-	-
	<b>Trade payables</b>									
	Ishnaya Foundation	-	-	(1)	(1)	(1)	-	-	(2)	(2)
	Juris Corp Legal Service	-	-	-	-	-	-	-	(4)	(4)
	<b>Deposits Receivables</b>									
	Mr. Sailesh Mehta	-	2,110	-	-	2,110	-	2,110	-	2,110
	Robust Marketing Services Private Limited	-	-	350	350	350	-	-	650	650
	<b>Deposits Payables</b>									
	Deepak Nitrite Limited	-	-	(4)	(4)	(4)	-	-	(4)	(4)
	<b>Corporate Guarantee Given</b>									
	Deepak Nitrite Limited	-	-	(1,786)	(1,786)	(1,786)	-	-	(1,786)	(1,786)
	<b>Interest Payable</b>									
	Robust Marketing Services Private Limited	-	-	(515)	(515)	(515)	-	-	-	-
	<b>Loan repayable</b>									
	Robust Marketing Services Private Limited (Optionally Convertible Debentures)	-	-	(15,135)	(15,135)	(15,135)	-	-	-	-

**Note :** Figures in bracket are outflows.

Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis.

\*Remuneration doesn't include sitting fees paid to non-executive directors of ₹ 122 Lakhs (31 March 2023 : ₹ 101 Lakhs). As the liability of Leave encashment and Gratuity is provided on Actuarial basis for Group as a whole, the said amounts are not included above.

**Note :** The Group has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) [Refer note 21].

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2024	31 March 2023
<b>A. Contingent liabilities</b>		
Claims by suppliers not acknowledged as debts	17,125	16,183
Income Tax Demands	61,150	60,330
Excise/Service Tax/Custom Demands [Company is in Appeal]	827	1,470
Excise/Service Tax/Custom Demands- [Department is in Appeal]	3,971	3,971
Sales Tax/ VAT Demands/GST	14,164	9,788
Local Body Tax	2,382	2,141
Penalty on Entry Tax	1,891	1,551
Goods and Service Tax Act, 2017*	11,464	-
<b>Total</b>	<b>1,12,974</b>	<b>95,434</b>
<b>B. Capital commitments</b>		
Related to Projects	99,806	51,741
Related to Realty	-	44
Other Capital Commitments	6,051	-
<b>C. Other Commitments</b>		
Commitments to Supplier	1,122	22,771
<b>Total</b>	<b>1,06,979</b>	<b>74,556</b>

\*Includes mainly disallowance of Input Tax Credit, with applicable interest and penalty.

### Note 43: FOREIGN CURRENCY BALANCES OUTSTANDING

Particulars	31 March 2024		31 March 2023	
	Amount in Foreign Currency (in Lakhs)	Equivalent Amount (in Lakhs)	Amount in Foreign Currency (in Lakhs)	Equivalent Amount (in Lakhs)
<b>Hedged Position*</b>				
Creditors (in USD)	908	75,700	1,164	95,679
Interest on borrowing (in USD)	13	1,116	14	1,185
ECB Loan Borrowing (in USD)	131	10,948	150	12,327
Buyers Credit (in USD)	-	-	101	8,278
<b>Total</b>	<b>1,052</b>	<b>87,764</b>	<b>1,429</b>	<b>1,17,469</b>
<b>Un-hedged Position</b>				
Creditors (in USD)	1	51	3	298
Creditors (in EURO)	0	37	17	1,473
Interest accrued (in EURO)	-	-	-	-



## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	31 March 2024		31 March 2023	
	Amount in Foreign Currency (in Lakhs)	Equivalent Amount (in Lakhs)	Amount in Foreign Currency (in Lakhs)	Equivalent Amount (in Lakhs)
Creditors (in GBP)	0	5	-	1
Borrowings and interest (in USD)	-	-	-	-
Exports receivable (in USD)	(9)	(786)	(1)	(103)
<b>Total</b>	<b>(8)</b>	<b>(693)</b>	<b>19</b>	<b>1,669</b>

\*The above transactions are hedged by following derivative contracts.

	31 March 2024		31 March 2023	
	Amount in Foreign Currency (in Lakhs)	Equivalent Amount (in Lakhs)	Amount in Foreign Currency (in Lakhs)	Equivalent Amount (in Lakhs)
Forward Contracts (in USD)	3	269	253	20,807
Options Contracts (in USD)	1,049	87,495	1,175	96,562
Forward Contracts (in EURO)	-	-	1	100
<b>Total</b>	<b>1,052</b>	<b>87,764</b>	<b>1,429</b>	<b>1,17,469</b>

The Group has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109 since these contracts do not meet the Hedge accounting requirements.

### Unhedged Foreign Currency exposure is as under:

Particulars	Amount in foreign currency	31 March 2024	Amount in foreign currency	31 March 2023
Payables and borrowings (including interest)	1	93	20	1,772
Receivables and bank balances	(9)	(786)	(1)	(103)

### Note 44: Impact of Hedging activities

The Group is exposed to commodity price risk because the prices of its purchase of Natural Gas vary as a result of fluctuations of the natural gas prices linked to Global indexes. So, the Group has used option contract to hedge its commodity i.e natural gas liquid.

For Hedges of this commodity purchases, the Group entered into a Hedge relationships where the critical terms of the Hedging instrument match exactly with the terms of the Hedge item. The Group therefore performs a qualitative assessment of effectiveness. There were no ineffectiveness during financial years ended 31 March 2024 and 31 March 2023 in relation to commodity rate hedge.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### A. Disclosure of effects of Hedge accounting on Financial position:

As on 31 March 2024

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
	Units	Quantity	Asset	Liabilities				
Cash flow Hedge- Commodity price risk								
Morgan Stanley - Brent Crude Contract	Barrels	11,07,400	6,446	-	31 May 2026	1:1	USD 75	USD 69.40
Engie Energy - Brent Crude Contract	Barrels	8,52,000	5,643	-	31 May 2025	1:1	USD 77	USD 70
Engie Energy - Japan Korea Marker (JKM) Contract	MMBTU	12,24,000	964	-	15 Aug 2024	1:1	USD 8.15	USD 9.85
Goldman Sachs - Henry Hub Contract	MMBTU	7,13,700	(844)	-	30 June 2024	1:1	USD 2.70	-

### B. Disclosure of effects of Hedge accounting on financial performance

Type of Hedge	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount recognised from Cash Flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
<b>Cash Flow Hedge</b>				
Commodity rate risk 31 March 2024	11,646	-	5,646	Cost of material consumed
Commodity rate risk 31 March 2023	-1,357	-	1,431	Cost of material consumed

### C. Movement in cash Flow hedging reserve

Risk category	Commodity rate risk
Cash Flow Hedging reserve	
<b>As at 1 April 2022</b>	<b>1,015</b>
Add: Changes in fair value of commodity hedge contracts	74
Less: Amount reclassified to profit or loss	1,431
Less: Deferred tax relating to OCI gain	(342)
<b>As at 31 March 2023</b>	
Add: Changes in fair value of commodity hedge contracts	17,292
Less: Amount reclassified to profit or loss	5,646
Less: Deferred tax relating to above	3,142
<b>As at 31 March 2024</b>	<b>8,504</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 45: INCOME TAXES

A. Components of Income Tax Expenses	31 March 2024	31 March 2023
<b>I. Tax expense recognised in the statement of profit and loss</b>		
Current Tax		
Current tax on profits for the year	34,017	55,178
<b>Total (A)</b>	<b>34,017</b>	<b>55,178</b>
Deferred tax (credit)/charge	(12,544)	4,286
<b>Total (B)</b>	<b>(12,544)</b>	<b>4,286</b>
<b>Total (A+B)</b>	<b>21,473</b>	<b>59,464</b>
<b>II. Tax on Other Comprehensive Income</b>		
Deferred Tax		
Gain/loss on remeasurement of defined benefit obligations	(213)	55
Cash flow hedge	3,142	(342)
<b>Total</b>	<b>2,929</b>	<b>(287)</b>

### Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2024 and 31 March 2023

Particulars	31 March 2024	31 March 2023
Accounting profit before tax	67,200	1,81,552
<b>At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%) (A)</b>	<b>16,914</b>	<b>45,697</b>
Effects of non-deductible business expenses	920	5
Permanent adjustment of PPE Block	631	-
Impact on current and deferred tax of earlier years	3,216	-
Deferred tax recognized on reasonable certainty	(9,100)	1,845
Tax rate difference	4,367	13,654
Others	4,525	(1,737)
<b>Total (B)</b>	<b>4,559</b>	<b>13,767</b>
<b>Income Tax expense reported in the statement of profit or loss (A+B)</b>	<b>21,473</b>	<b>59,464</b>

### Note 46

The appeals filed by the Mahadhan Agritech Limited (MAL), a subsidiary company against its income tax assessments for the period Assessment Year 2013-2014 to Assessment Year 2018-2019 which had resulted in a demand of ₹ 48,589 lakhs were decided against the MAL by the Commissioner of Income Tax (Appeals), Mumbai vide orders dated 31 March 2024. The MAL has filed appeals against the said orders to the Income tax Appellate Tribunal. The Group continues to believe, based on an expert opinion, various favourable judgements and amendments in the Income-tax Act, 1961, that it has a good case on merits and is therefore confident of its positive outcome. Accordingly, the same have been disclosed as contingent liabilities. Pursuant to the provisions of Section 132 and 133A of the Income-tax Act, 1961, a Search Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018. The Holding Company has received assessments orders and necessary appeals/rectification, as is applicable, have been filed which are pending for disposal.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 47 : CONSOLIDATED SEGMENT REPORTING

Sr. No.	Particulars	31 March 2024	31 March 2023
<b>1</b>	<b>Segment revenue</b>		
	(a) Chemicals		
	Manufactured	4,72,663	6,32,802
	Traded	6,572	8,332
	<b>Total</b>	<b>4,79,235</b>	<b>6,41,134</b>
	(b) Fertilisers		
	Manufactured	2,77,080	3,88,881
	Traded	1,08,990	97,950
	<b>Total</b>	<b>3,86,070</b>	<b>4,86,831</b>
	(c) Realty	1,697	1,412
	(d) Others	607	692
	<b>Total income from operations</b>	<b>8,67,609</b>	<b>11,30,069</b>
<b>2</b>	<b>Segment results [profit / (loss) before tax and finance costs from each segment]</b>		
	(a) Chemicals	1,23,217	1,99,170
	(b) Fertilisers	52	35,875
	(c) Realty	(1,347)	(838)
	(d) Others	(576)	(135)
	<b>Total</b>	<b>1,21,346</b>	<b>2,34,072</b>
	Less: i) Finance costs	40,376	19,473
	ii) Other unallocable expenditure (net of unallocable income)	13,774	33,047
	<b>Profit before share of profit/(loss) of associates and income tax</b>	<b>67,196</b>	<b>1,81,552</b>
<b>3</b>	<b>Segment assets</b>		
	(a) Chemicals	7,54,425	6,17,203
	(b) Fertilisers	2,96,214	3,30,752
	(c) Realty	30,508	18,326
	(d) Unallocated	1,01,882	1,75,840
	<b>Total assets</b>	<b>11,83,029</b>	<b>11,42,121</b>
<b>4</b>	<b>Segment liabilities</b>		
	(a) Chemicals	3,29,665	3,25,805
	(b) Fertilisers	2,59,346	2,52,374
	(c) Realty	901	455
	(d) Unallocated	48,513	44,160
	<b>Total liabilities</b>	<b>6,38,425</b>	<b>6,22,794</b>

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Segment information

#### 1. Primary segment reporting (by business segments)

Composition of business segment

Segment	Products covered
Chemicals	Ammonia, Methanol, Dilute nitric acid, Concentrated nitric acid, CO <sub>2</sub> , Technical ammonium nitrate, 'Iso-propyl alcohol, Propane, Bulk and Speciality Chemical.
Bulk Fertilisers	Nitro phosphate, Nutriate of potash, Diammonium phosphateAP, Ammonium Sulphate, Mixtures, Single super phosphate, Sulphur, Micronutrients, SSF, Bio Fertilisers.
Realty	Real Estate Business

2. **Secondary Segment Information:** There are no reportable geographical segments since the Group caters mainly to needs of Indian Markets.

#### Note 48

Gas Authority of India Limited (GAIL) has claimed a sum of ₹ 357 crores in respect of supply of domestic natural gas for the period July 2006 to May 2014 (inclusive of interest till 2016), alleging usage for manufacture of products other than Urea. As per two contracts entered into 2006 and 2010 between the subsidiary company, Mahadhan Agritech Limited (MAL) (Formerly known as Smartchem Technologies Limited) and GAIL, the purchase of gas was clearly intended, supplied and utilised for industrial applications. It has been in the full knowledge of the Department of Fertilisers, Government of India that MAL; as per the industrial license, since its inception was never engaged in the manufacture of Urea and the dispute was referred to Arbitration.

Claims by GAIL were divided into two parts by MAL while challenging arbitration. Claim under Gas Sales and Transportation Agreement of 2006 is non-arbitrable. Similarly, the claim for the period from 2011 to 2013; are barred by limitation. Accepting MAL's stand, the Arbitration Tribunal has rejected the claims of GAIL vide orders dated 05.09.2017 and 13.12.2017. Thereafter GAIL filed Arb Appeal (COMM) NO. 3/2018 challenging the order dated 05.09.2017 and OMP (COMM) No. 31/2018 before Hon'ble Delhi High Court, which dismissed both the appeals vide its order dated 20.12.2018 and upheld the order of Arbitrator.

Consequently, GAIL has preferred a Special Leave petition before the Hon'ble Supreme Court against dismissal of Arb Appeal (COMM) 3/2018 and also preferred an appeal before Divisional bench of Hon'ble Delhi High Court against dismissal of OMP (COMM) No 31/2018. Both the petitions are pending adjudication as at the reporting date.

#### Note 49

The management based on legal advise is confident that the demand of Entry Tax to the extent of 9.5% of the purchase price of the Natural Gas is revenue neutral since full set-off is available under the MVAT Act. The Holding company, therefore, had made a provision only of 3% of the demand amount including interest. The penalty on the same had been disclosed under contingent liabilities.

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Note 50: Transactions with Struck off Companies

Group entity having transaction with struck off companies	Entity relation	Name of struck off company	Nature of transactions	Balance outstanding (₹ In Lakhs)	Relationship with struck off company
Deepak Fertilisers And Petrochemicals Corporation Limited	Holding Company	SM WATER TREATMENT PRIVATE LIMITED	Payable for Water treatment charges	0.36	Vendor
Deepak Fertilisers And Petrochemicals Corporation Limited	Holding Company	ARC TRENDS SYSTEMS PVT. LTD.	Purchase of sliding entrance door	2.03	Vendor
Mahadhan AgriTech Limited (MAL) (Formerly Smartchem Technologies Limited)	Wholly owned subsidiary	R K PROINFRA PRIVATE LIMITED	Recovery of GST Credit and interest thereon	1.34	Vendor

### Note 51 : ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013

#### Statement of Net Assets and Profit or Loss Attributable to Owners and Non-controlling Interests

For the year ended 31 march 2024

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
<b>Parent</b>								
Deepak Fertilisers And Petrochemicals Corporation Limited	58%	3,17,558	69%	31,337	-8%	(642)	57%	30,695
<b>Subsidiaries</b>								
<b>Indian</b>								
Mahadhan AgriTech Limited [(MAL) (Formerly Smartchem Technologies Limited)]	81%	4,43,045	52%	23,845	17%	1,366	47%	25,211
Deepak Mining Solutions Limited	0%	(76)	0%	(21)	0%	-	0%	(21)
SCM Fertichem Limited	0%	(1)	0%	(2)	0%	-	0%	(2)
Ishanya Brand Services Limited	0%	(355)	-1%	(447)	0%	-	-1%	(447)
Performance Chemiserve Limited	32%	1,71,944	-23%	(10,513)	90%	7,165	-6%	(3,348)
Mahadhan Farm Technologies Private Limited	0%	474	0%	143	0%	-	0%	143
Ishanya Realty Corporation Limited	0%	1	0%	(1)	0%	-	0%	(1)

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
<b>Foreign</b>								
Deepak Nitrochem Pty Limited	0%	23	0%	(1)	0%	-	0%	(1)
Platinum Blasting Services Pty Limited (Consolidated)	2%	10,801	9%	4,206	1%	40	8%	4,246
	115%	6,25,856	38%	17,209	108%	8,571	48%	25,780
<b>Non-controlling interests in all subsidiaries</b>	1%	3,781	3%	1,472	0%	14	1%	1,486
Adjustment arising out of Consolidation	-74%	(4,02,591)	-9%	(4,295)	0%	(14)	-4%	(4,309)
<b>Total after elimination on account of consolidation</b>	<b>100%</b>	<b>5,44,604</b>	<b>100%</b>	<b>45,723</b>	<b>100%</b>	<b>7,929</b>	<b>100%</b>	<b>53,652</b>

### For the year ended 31 march 2023

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
<b>Parent</b>								
Deepak Fertilisers And Petrochemicals Corporation Limited	58%	2,99,487	24%	29,134	87%	(965)	23%	28,169
<b>Subsidiaries</b>								
<b>Indian</b>								
Mahadhan AgriTech Limited (MAL) (Formerly Smartchem Technologies Limited)	80%	4,15,831	71%	87,255	-6%	66	72%	87,321
Deepak Mining Solutions Limited	0%	(55)	0%	(3)	0%	-	0%	(3)
SCM Fertichem Limited	0%	1	0%	80	0%	-	0%	80
Ishanya Brand Services Limited	0%	90	0%	(162)	0%	-	0%	(162)
Performance Chemiserve Limited	33%	1,73,205	1%	621	0%	-	1%	621
Mahadhan Farm Technologies Private Limited	0%	330	0%	96	0%	-	0%	96
Ishanya Realty Corporation Limited	0%	1	0%	(1)	0%	-	0%	(1)



## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
<b>Foreign</b>								
Deepak Nitrochem Pty Limited	0%	24	0%	(1)	0%	-	0%	(1)
Platinum Blasting Services Pty Limited (Consolidated)	2%	9,046	2%	2,981	19%	(216)	2%	2,765
	115%	5,98,473	74%	90,866	13%	(150)	75%	90,716
<b>Non-controlling interests in all subsidiaries</b>	2%	12,627	1%	1,472	7%	(76)	1%	1,002
Adjustment arising out of Consolidation	-75%	(3,91,260)	1%	616	-7%	76	1%	1,086
<b>Total after elimination on account of consolidation</b>	<b>100%</b>	<b>5,19,327</b>	<b>100%</b>	<b>1,22,088</b>	<b>100%</b>	<b>(1,115)</b>	<b>100%</b>	<b>1,20,973</b>

### Note 52: Group Informations:

Particulars of subsidiaries and joint operation which have been considered in the preparation of the Consolidated Financial Statements:

Particulars	Country of incorporation	Nature of business	% Equity interest	
			31 March 2024	31 March 2023
<b>Subsidiaries</b>				
<b>Direct</b>				
Mahadhan AgriTech Limited (MAL) (Formerly Smartchem Technologies Limited)	India	Manufacturing and Trading	100.00	100.00
Deepak Mining Solutions Limited	India	Services	100.00	100.00
Deepak Nitrochem Pty Limited	Australia	Services	100.00	100.00
SCM Fertichem Limited	India	Farm and Trading	100.00	100.00
Ishanya Brand Services Limited	India	Trading	100.00	100.00
Ishanya Realty Corporation Limited	India	Sale of Engineering components & Allied Activities.	100.00	100.00
<b>Indirect</b>				
Platinum Blasting Services Pty Limited	Australia	Services	65.00	65.00
Performance Chemiserve Limited	India	Manufacturing	100.00	94.40
Australian Mining Explosives Pty Ltd	Australia	Services	65.00	65.00
Mahadhan Farm Technologies Private Limited	India	Manufacturing and Trading	100.00	100.00

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Country of incorporation	Nature of business	% Equity interest	
			31 March 2024	31 March 2023
<b>Entity with joint control</b>				
Yerrowda Investments Limited	India	Realty	85.00	85.00

### Material partly owned subsidiaries:

Following is the summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations:

### Proportion of equity interest held by non-controlling interests (NCI):

Name	Country of operation	31 March 2024	31 March 2023
Platinum Blasting Services Pty Ltd	Australia	35.00%	35.00%
Performance Chemiserve Limited	India	0.00%	5.60%

### Summarised Balance Sheet

Particulars	Platinum Blasting Services Pty Ltd (Consolidated)		Performance Chemiserve Limited
	31 March 2024	31 March 2023	31 March 2023
Non current assets	13,355	12,558	3,66,737
Current assets	17,808	14,234	11,715
<b>Total assets</b>	<b>31,163</b>	<b>26,792</b>	<b>3,78,452</b>
Non current liabilities	4,841	6,302	1,96,782
Current liabilities	15,520	11,444	8,465
<b>Total liabilities</b>	<b>20,361</b>	<b>17,746</b>	<b>2,05,247</b>
<b>Net assets</b>	<b>10,802</b>	<b>9,046</b>	<b>1,73,205</b>
<b>Accumulated NCI</b>	<b>3,780</b>	<b>3,166</b>	<b>9,461</b>

### Summarised statement of profit and loss

Particulars	Platinum Blasting Services Pty Ltd (Consolidated)		Performance Chemiserve Limited
	31 March 2024	31 March 2023	31 March 2023
Revenue from operations	60,084	50,454	704
Profit for the year	4,206	2,981	621
Other comprehensive income	40	(216)	-
Total comprehensive income	4,246	2,765	621
Total comprehensive income allocated to NCI	1,486	967	35
Dividend paid to NCI	871	491	-

## Notes

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

### Summarised statement of cashflows

Particulars	Platinum Blasting Services Pty Ltd (Consolidated)		Performance Chemiserve Limited
	31 March 2024	31 March 2023	31 March 2023
Cash flow from operating activities	4,949	4,626	(808)
Cash flow from investing activities	(2,582)	(3,196)	(97,609)
Cash flow from financing activities	(2,860)	(1,396)	98,979

Notes 3 to 52 form an integral part of the Consolidated Financial Statements.

#### As per our report of even date attached

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration No.: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership No.: 136835

Place: Pune

Date: 29 May 2024

#### For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

**S. C. Mehta**

Chairman and Managing Director

DIN: 00128204

Place: Pune

**Sujal Anil Shah**

Director

DIN: 00058019

Place: Mumbai

Date: 29 May 2024

**Deepak Rastogi**

President & CFO

Place: Pune

**Gaurav Munoli**

Company Secretary

Membership No: A24931

Place: Pune

# Leadership Team



**S. C. Mehta**

Chairman &  
Managing Director



**Yeshil Mehta**

Joint Managing Director –  
MAL & DMSL



**Deepak Rastogi**

President –  
Finance & CFO



**Arun Vijayakumar**

President – Projects



**Debasish Banerjee**

President –  
Strategic Projects



**Mahesh M.**

CEO – Creaticity



**Mukul Agrawal**

President –  
Manufacturing



**Naresh Kumar Piniseti**

President –  
Corporate Governance



**Pandurang Landge**

President – Commercial &  
Strategic Growth



**Romy Sahay**

President –  
Human Resource



**Samir Biswas**

President –  
Corporate Affairs



**Shanmuganath M.**

President –  
Industrial Chemicals



**Subhash Anand**

President – Strategy



**Tarun Sinha**

President – Technical  
Ammonium Nitrate

# Company Information

## BOARD OF DIRECTORS

### S. C. Mehta

Chairman & Managing Director

### Parul S. Mehta

Non-Executive Woman Director

### M. P. Shinde

Non-Executive

Non-Independent Director

### Partha Bhattacharyya

Independent Director

(Up to March 31, 2024)

### Bhuvan Chandra Tripathi

Independent Director

### Sujal Anil Shah

Independent Director

### Varsha Purandare

Independent Woman Director

### Jayesh Shah

Independent Director

### Sanjay Gupta

Independent Director

### Sitaram Kunte

Independent Director

### Terje Bakken

Independent Director

## CHIEF FINANCIAL OFFICER

### Amitabh Bhargava

(Up to July 31, 2023)

### Deepak Rastogi

(w.e.f. August 1, 2023)

## COMPANY SECRETARY AND COMPLIANCE OFFICER

### Gaurav Munoli

Company Secretary &  
Compliance Officer

## BANKERS

Asian Development Bank

Axis Bank Ltd.

Bank of Baroda

Bank of India

Canara Bank

Emirates NBD Bank

Export Import Bank of India

HDFC Bank Ltd.

IDBI Bank Ltd.

IDFC First Bank Ltd.

IndusInd Bank Ltd.

Kotak Mahindra Bank Ltd.

Punjab National Bank

South Indian Bank

Standard Chartered Bank

State Bank of India

Union Bank of India

## LEGAL ADVISORS

Zeus Law Associates

H&Co. Legal

Lakshmi Kumaran & Sridharan

P&P Legal

Dentons Link Legal

Juris Corp.

## AUDITORS

P G BHAGWAT LLP

Chartered Accountants

## SECRETARIAL AUDITOR

### Ashish Garg

Practicing Company Secretary

## COST AUDITOR

Harshad S. Deshpande & Associates

Cost Accountants

## INTERNAL AUDITOR

Ernst & Young LLP

## REGISTERED AND CORPORATE OFFICE

Sai Hira, Survey No. 93, Mundhwa,  
Pune - 411 036, Maharashtra.

CIN: L24121MH1979PLCO21360

E-mail: [investorgrievance@dfpcl.com](mailto:investorgrievance@dfpcl.com)

Website: [www.dfpcl.com](http://www.dfpcl.com)

Phone: +91 20 6645 8000

## PLANTS:

Plot K1, K7-K8, E-31,  
MIDC Industrial Area,  
Taloja, A.V. – 410 208,  
District Raigad,  
Maharashtra.

Village Ponnada,  
Etcherla Mandalam,  
Srikakulam – 532 408,  
Andhra Pradesh.

Plot No. 47,  
HSIIDC Industrial Estate,  
Refinery Road,  
Panipat – 132 140,  
Haryana.

Plot No. D - II / 7A,  
Dahej GIDC  
Industrial Estate,  
Village Rahiyad,  
Taluka Vagra,  
District Bharuch – 392 130,  
Gujarat.



**Industrial/Pharma  
Chemicals**



**Mining Chemicals**



**Crop Nutrition**



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

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Sai Hira, Survey No. 93, Mundhwa, Pune – 411 036,  
Maharashtra, India. CIN: L24121MH1979PLC021360

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