September 3rd , 2024

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

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

Dear Sir/Madam,

| | |
|---|---|
| Company's Scrip Code in BSE | : 543530 |
| Company's Symbol in NSE | : PARADEEP |
| ISIN | : INE088F01024 |

**Sub: Notice of the 42nd Annual General Meeting & Annual Report for the FY 2023-24**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, please find enclosed the Notice of the 42nd Annual General Meeting scheduled to be held on Wednesday, September 25, 2024 at 4.00 P.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") and the Annual Report of the Company for the Financial Year 2023-24;

The said Notice and Annual Report are also placed on the website of the Company www.paradeepphosphates.com.

We request you to take the above on record.

Thanking You,

Yours faithfully,
**For Paradeep Phosphates Limited**

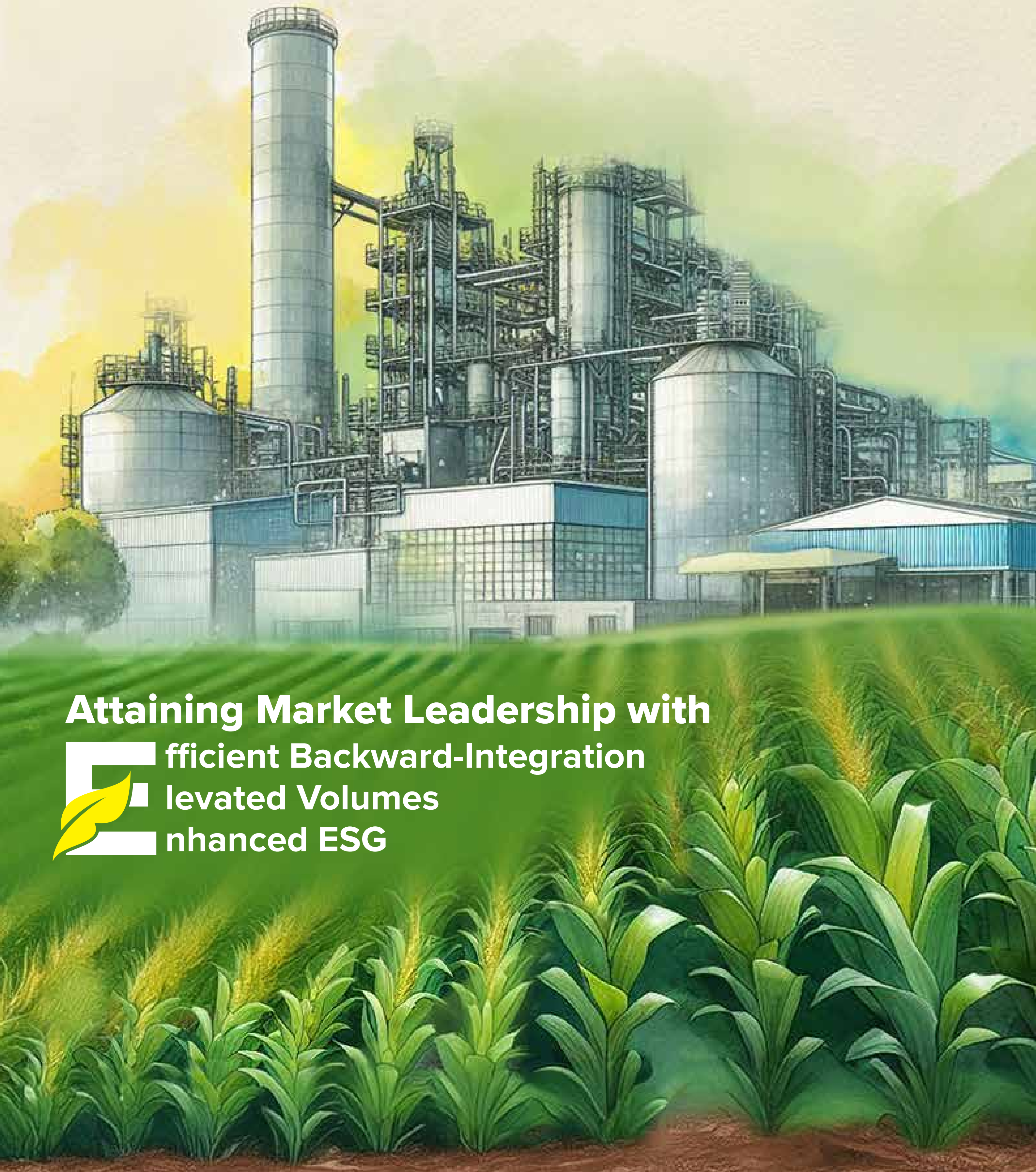
SACHIN SHANKAR PATIL
Digitally signed by SACHIN SHANKAR PATIL
Date: 2024.09.03 10:22:02 +05'30'

**Sachin Patil**
**Company Secretary**

Encl: As above

Paradeep Phosphates Limited

# Annual Report 2023-24



## Attaining Market Leadership with

**E**fficient Backward-Integration
**E**levated Volumes
**E**nhanced ESG

# Across the **PAGES**



**For more investor-related information, click on the link given below:**

https://www.paradeepphosphates.com/investors/financial-details

**Scan this QR code to navigate investor-related information**

| Investor Information | |
|---|---|
| Market Capitalisation as on 31st March 2024: | ₹ 54.09 Billion |
| CIN: | L24129OR1981PLC001020 |
| BSE Code: | 543530 |
| NSE Symbol: | PARADEEP |
| Dividend Declared: | ₹ 0.50 per equity share |
| AGM Date: | 25th September 2024 |

**Feedback**

This report is the result of a collective organisational effort. For feedback please write to the primary authors: Sachin Patil at cs.ppl@adventz.com and Susnato Lahiri at susnato.lahiri@adventz.com

# Attaining Market Leadership with

## Efficient Backward-Integration
## Elevated Volumes
## Enhanced ESG

**2.3** Million Tonnes
Production Volumes of Finished Fertilizers in 2023-24
13% Y-o-Y Growth

**0.5** MMTPA
Phosphoric Acid In-house Production Capacity in 2023-24
67% Growth in Last 2 Years

**51**
Dow Jones Sustainability Index Score in 2023
60% Higher than the Industry Average

**2.5** Million Tonnes
Sales Volume of Finished Fertilizers in 2023-24
25% Y-o-Y Growth

**1.39** MMTPA
Sulphuric Acid In-house Production Capacity in 2023-24

Paradeep Phosphates Limited (PPL) has strategically positioned itself as a one of India's leading fertilizer companies by virtue of its strengths in raw-material sourcing, product quality, pan-India distribution network and its robust commitment to ESG Principles. By March 2024, the Company had achieved a 150% increase in total production capacity, reaching 3 Million Tonnes, up from 1.2 Million Tonnes in March 2021. This growth was driven by the expansion at the Paradeep facility and the strategic acquisition of the Goa unit, adding a substantial 1.2 Million Tonnes to its capacity. These initiatives have not only enhanced PPL's production capabilities but also extended its geographical reach, particularly strengthening its foothold in key markets across India.

The surge in production capacity was paralleled by a rise in operational efficiency. In 2023-24, PPL achieved a production volume of 2.3 Million Tonnes, reflecting a 13% increase year-on-year. Sales volumes also saw a substantial rise, reaching 2.5 Million Tonnes—an impressive 25% increase over the previous year.

Crucial to this success has been PPL's focus on backward integration, enabling the Company to have better resilience on its supply chain and achieve healthier profitability. The Company's Paradeep unit is backward integrated in phosphoric acid, while the Goa unit is backward integrated in ammonia. During 2023-24, PPL successfully ramped up its capacity of captive phosphoric acid by 67%, from 0.3 to 0.5 Million tonnes per annum to support the increase in finished goods production capacity at the Paradeep site. In tandem with its phosphoric acid initiative, PPL is also in the process of enhancing its backward integration in sulphuric acid production, increasing capacity from 1.39 to ~2 Million tonnes per annum.

Complementing its market performance, PPL launched its ESG journey in January 2022 with a five-fold objective: driving topline growth through sustainable products, reducing costs via efficient resource use, accessing lower-cost capital through sustainable funds, enhancing productivity through transparent ESG reporting, and optimising capital allocation with ESG as a key criterion.

PPL's ESG practices are benchmarked against global standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the UN-SDGs. The Company has accounted for Scope 1, Scope 2, and ten categories of Scope 3 emissions and identified **30 material ESG topics** through an exhaustive primary research.

PPL's ESG endeavours were documented in two successive ESG reports of 2021-22 and 2022-23, marking a pioneering effort in comprehensive ESG reporting among Indian fertilizer companies.

Additionally, in 2022-23, PPL voluntarily published its maiden SEBI's Business Responsibility and Sustainability Report (BRSR), demonstrating its commitment as a responsible ESG corporate citizen. The Company's 2023-24 BRSR report is included in this annual report on Page 67.

About Us

# India's Second-Largest Integrated PHOSPHATIC PRIVATE SECTOR COMPANY

**Paradeep Phosphates Limited (referred to as 'PPL' or 'The Company'), established in 1981, is a prominent manufacturer and distributor of phosphatic fertilizers in India. Over the decades, the Company has built a strong reputation in the industry for its high-quality products and reliable services.**

PPL's core offerings include a range of phosphatic fertilizers such as Di-Ammonium Phosphate (DAP) and several NPK (Nitrogen, Phosphorus, Potassium) grades. These include NPK 20-20-0, NPK 12-32-16, NPK 10-26-26, NPK 19-19-19, NPK 28-28-0, Zypmite, and Urea. These products are designed to meet the diverse nutritional needs of crops and enhance soil fertility.

The Company continuously adapts its product portfolio to meet emerging agricultural needs. These innovations aim to provide tailored solutions for different soil types and crop requirements.

In addition to fertilizers, PPL is a key industrial supplier of phospho gypsum, sulphuric acid, and hydrofluorosilicic acid. These materials support various industrial applications and complement the Company's core fertilizer business.

Leveraging robust backward integration and state-of-the-art production facilities located in Paradeep and Goa, PPL has cemented its position as a prominent player in enhancing India's agricultural sector. With an extensive distribution network of over 5,000 dealers, the Company sells finished fertilizers under the established brand names 'Jai Kisaan' and 'Navratna' to over 9 Million farmers across 15 states in India, contributing significantly to the country's agricultural prosperity and economic growth.

**3.0** MMTPA
Installed Capacity

**9+** Million
Farmer Connect

**02**
Manufacturing Plants

**15** States
Geographical Presence

**2,398+**
Total Workforce

**ICRA** A-1 Stable
Credit Ratings

## VISION

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

## MISSION

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

## CORE VALUES

- Sustainability
- Agility
- Customer First
- Integrity

## VALUE CHAIN

- Sourcing and Backward Integration
- Manufacturing
- Quality Control, Safety and R&D
- Sales and Distribution Network
- Farmers as Customers

Competitive Positioning

# Enhancing Competitive Stance Through DIVERSE OFFERINGS

**Paradeep Phosphates Limited distinguishes itself in the fertilizer industry through strategic competitive advantages that ensure a consistent supply of high-quality products tailored to the diverse needs of its customers. The Company has made significant investments in backward integration for key raw materials, supported by its strategically located facilities, which provide a strong logistical edge. Additionally, PPL's extensive distribution network, combined with its deep understanding of market dynamics, enables the Company to efficiently reach farmers and agro dealers across the country.**

## RAW MATERIAL SOURCING & BACKWARD INTEGRATION

The Company ensures a stable and consistent source of critical raw materials through long-term contracts, mitigating the risks of supply chain disruptions and price volatility. PPL is also backward integrated in phosphoric acid at its Paradeep site and ammonia at its Goa site. This backward integration not only provides a hedge against operational volatility but also allows the Company to leverage significant cost efficiencies. This helps stabilise the supply chain and enhance overall operational resilience, allowing the Company to maintain healthier margins.

## LOGISTICS ADVANTAGE

PPL enjoys strategic benefits from its proximity to key ports. The Paradeep Plant, located near Paradeep Port, features a captive berth and a 3.4 km conveyor pipeline, ensuring zero inbound logistics costs. Similarly, the Goa Plant, situated near Mormugao Port, benefits from its strategic positioning and a captive power plant, contributing to efficient operations. Both plants have railway sidings close to the bagging and production areas to facilitate smooth outbound logistics.

## MANUFACTURING CAPABILITIES

PPL offers a diverse product portfolio that includes multiple grades of NPK, DAP, Urea, and Zypmite, catering to various soil needs across the country. In addition, the Company's industrial product portfolio encompasses phospho-gypsum, sulphuric acid, and HFSA, vital for industrial applications. PPL's strategic advantage is further enhanced by extensive storage facilities for both raw materials and finished goods, ensuring operational flexibility, meeting customer demands promptly, and maintaining robust supply chain resilience.

PPL's ISO certified manufacturing facilities ensure the highest quality standards of its products.

Notably, the Paradeep plant has achieved 78% reduction in power costs through the exothermic sulphuric acid production method, enhancing cost competitiveness and operational efficiency.

**1.8 MMTPA**
DAP/NPK capacity at Paradeep site

**0.8 MMTPA**
DAP/NPK capacity at Goa site

**0.4 MMTPA**
Urea capacity at Goa site

## WELL-ESTABLISHED SALES AND DISTRIBUTION NETWORK

PPL's distribution network spans across India. While the Paradeep unit connects with key markets in North and East India, the Company's Goa unit caters to key phosphate regions of West and South India.

**15**
States Presence

**22**
Regional Marketing Offices

**5,000+**
Dealers

**75,000**
Retailers

**520+**
Stock Points Spread across India

Journey and Milestones

# Empowering Growth:
# JOURNEY SINCE INCEPTION

**Since inception, PPL has embarked on a transformative journey marked by growth and a firm commitment to ESG principles. Over the years, the Company has expanded its production capacities, diversified its product portfolio, and established a robust sales and distribution network across India.**

### 1981
Paradeep Phosphates Limited (PPL) was incorporated as a joint venture between the Government of India and the Republic of Nauru at Paradeep, Odisha

### 1986
Di-ammonium phosphate (DAP) plant (Phase I) commissioned

### 1992
Sulphuric acid plant, phosphoric acid plant, and captive power plant (Phase II) commissioned

### 1993
Republic of Nauru divested its stake in PPL, making it a public sector enterprise

### 2002
Government of India disinvested 74% of its stake in PPL to Zuari Maroc Phosphates Private Limited (ZMPPL) — a joint venture between Zuari Agro Chemicals Limited (ZACL) and OCP Group in Morocco

### 2003
Rights issue entirely subscribed by ZMPPL, increasing its stake to 80.45% of the paid-up equity share capital

### 2009
ISO 14001:2004 and ISO 9001:2008 certifications obtained

### 2010
BS OHSAS 18001:2007 certification obtained

### 2018
PPL's joint venture, Zuari Yoma Agri Solutions Limited, incorporated

### 2019
ISO/IEC 27001:2013, ISO: 9001:2015, ISO: 14001:2015 and ISO: 45001:2018 certifications obtained

### 2020
Product Steward Excellence Certificate under IFA Protect and Sustain Product Stewardship Programme received

### 2021
ISO 50001:2018 certification obtained

### 2022
- PPL got listed on the Indian stock exchanges on 27th May, while the Government of India exited completely though an OFS
- Goa fertilizer facility of Zuari Agro Chemicals Limited acquired for USD 280 Million in June

### 2023
Maiden inclusion in the globally renowned S&P Dow Jones Sustainability Index

Message from the Chairman

# From the Desk of OUR CHAIRMAN

**As India's population continues to grow, the demand for food grains and other agricultural products is set to increase, necessitating higher agricultural output to meet these needs.**

### Dear Shareholders,

The year 2023-24 has been a period of growth for PPL, marked by significant milestones across various aspects of our operations. We have achieved remarkable progress through a combination of enhanced production and sales volume, strategic backward integration initiatives, and a commitment to ESG practices. Our efforts in these areas have not only strengthened our operational capabilities but also reinforced our dedication to sustainable and responsible growth.

Numerous global challenges significantly impacted global raw material prices in 2023-24. This included the Russia-Ukraine conflict, the Red Sea crisis, inflationary pressures, escalating tensions in the Middle East, and tightening monetary policies worldwide. The outcome was increased volatility and supply chain disruptions that posed additional challenges for businesses across various sectors.

However, amidst these challenges, the Indian economy showcased remarkable resilience and achieved strong growth. Driven by the solid manufacturing sector, robust investments in private enterprises, enhanced agricultural productivity, and average monsoon conditions, India achieved a growth of 8.2% in 2023-24. Looking ahead, the RBI and other leading rating agencies forecast continued positive momentum, with GDP growth projected to remain above 7% in 2024-25.

### Government Initiatives and Industry Overview

As India's population continues to grow, the demand for food grains and other agricultural products is set to increase, necessitating higher agricultural output to meet these needs. This increase in agricultural activity drives a greater demand for fertilizers, essential for boosting crop yields. Recognising this need, the Indian government has implemented several favourable policies and subsidies to support the fertilizer industry. The government has set ambitious goals to enhance domestic fertilizer production and reduce dependency on imports.

In 2023-24, India's total foodgrain production was estimated at 309 MT, as reported by the second advance estimates from the Ministry of Agriculture and Farmers' Welfare. The government has optimistically revised its kharif foodgrain production estimate to 154.1 MT, up from the earlier projection of 148.5 MT. Additionally, the Ministry of Agriculture projects Rabi foodgrain production to be 155.1 MT for the current crop year. Additionally, farm exports have made a significant contribution to the economy, totalling USD 48.82 Billion in 2023-24, according to data from the Department of Commerce.

### The Game Changer

Our operational foundation and strategic initiatives uniquely position us to navigate the challenges and opportunities within the sector. Our strategic efforts in enhancing production capabilities, including the expansion of our manufacturing units and backward integration initiatives, have strengthened our market position. The capital expenditures undertaken in recent years have started yielding positive results, supporting our high production standards.

Additionally, our focus on sustainable practices and adherence to ESG principles is a crucial differentiator. Our firm dedication to sustainability has been recognised through our inclusion in the S&P Dow Jones Sustainability Index for 2023, where we achieved a score of 51, significantly above the industry average of 32. Our past investments in sustainability have proven effective, aligning with the broader goals of enhancing domestic fertilizer production and reducing import dependency.

### CSR

During 2023-24, our CSR initiatives positively impacted over 59,000+ lives, reflecting our commitment to generating meaningful community and environmental outcomes. Our CSR endeavours are meticulously aligned with the needs of the community.

### Way forward

As we move forward, our strategic initiatives and operational advancements position us to capitalise on the growing demand for fertilizers driven by India's increasing agricultural needs. Our efforts in capacity expansion, market reach, and sustainability will continue to reinforce our leadership in the industry, enabling us to meet future challenges and seize emerging opportunities effectively.

**Our efforts in capacity expansion, market reach, and sustainability will continue to reinforce our leadership in the industry, enabling us to meet future challenges and seize emerging opportunities effectively.**

Our sector looks promising with expected growth and demand, normalisation of supply side prices, innovative product development, an increasing emphasis on balanced fertilisation, effective nutrient absorption, soil health and farm productivity. With a favourable monsoon focus this year, we are eager to meet the demand of the upcoming kharif season supported by our optimal product mix, enhanced farmer engagement and improved operational efficiencies.

In conclusion, I am immensely proud of the progress we have made and are excited about the opportunities that lie ahead. We are well positioned for robust growth in the near future, driven by strategic initiatives and innovative solutions.

I would like to extend my heartfelt gratitude to our stakeholders for their continued support and trust. Your belief in our vision and commitment to excellence has been instrumental in our success.

Yours Sincerely,

**S. K. Poddar**
**Chairman**

Message from CEO and MD

# Insights from Our CEO & MD

**We are pleased to report that our production of various grades of fertilizers reached 2.3 MMT for the year, marking a robust 13% year-on-year growth. Our sales totalled 2.53 MMT, a notable 25% increase from the previous year.**

### Dear Shareholders,

It gives me great pleasure to present to you the annual report for 2023-24. I am pleased to share how our strategies, product-mix and capital investments have contributed to our success and set the stage for future growth.

### Fuelling Our Future in Fertilizer Production

In the fiscal year 2023-24, India achieved a total fertilizer sales volume of 64 MMT. Both the production and consumption of finished fertilizers increased, rising by 7% and 3%, respectively. This growth was accompanied by a reduction in imports, driven by the expansion of domestic urea production capacities, healthy inventory levels, and supportive government policies.

There has been a significant shift from traditional fertilizers like urea and DAP towards NPK fertilizers, highlighting an increasing focus on balanced nutrient management to enhance crop yields and soil health. The rapid growth of NPK fertilizers compared to DAP and urea underscores a broader trend towards more efficient and sustainable agricultural practices.

In line with this trend, we are pleased to report that our production of various grades of fertilizers reached 2.3 MMT for the year, marking a robust 13% year-on-year growth. Our sales totalled 2.53 MMT, a notable 25% increase from the previous year. Our product mix has increasingly favoured value-added NPK fertilizers over DAP.

As agricultural practices evolve, we remain committed to driving innovation in the fertilizer sector. Our strategically located manufacturing facilities near the Paradeep and Goa ports enhance logistical efficiency and help us serve Pan-India markets. The Goa plants proximity to key states of Maharashtra, Karnataka, Madhya Pradesh, Andhra Pradesh, Uttar Pradesh, Telangana, and Chhattisgarh covers about 46% of the country's phosphate consumption, allowing us to efficiently supply major markets and strengthen our industry presence.

Additionally, our network spans 15 states with over 70,000 retail points across India, ensuring strong regional coverage and localised engagement. Our infrastructure includes more than 520 stock points nationwide, securing product availability and timely delivery.

In 2023-24, we focused on backward integration to support our increased production capacity. We successfully commissioned an additional 200,000 tonnes of captive phosphoric acid capacity at our Paradeep site, reducing our dependence on imports and enhancing our production capabilities. In addition, we are expanding our sulphuric acid plant, increasing its capacity from 1.4 to ~2 million metric tons by the end of 2024-25. This expansion aims to meet our phosphoric acid production needs while also generating excess green power.

### Strategic Merger for Enhanced Market Leadership

We are pleased to inform you that the intended merger of Paradeep Phosphates Limited (PPL) and Mangalore Chemicals and Fertilizers Ltd (MCFL), once completed, will enhance our market presence and production capacity. This strategic consolidation will position us as the largest private fertilizer company in India by installed production capacity. Moreover, this merger will facilitate our entry into new markets, particularly in the southern region, while unlocking cost synergies.

### Financial Highlights

The income from operations reached ₹ 115,751 Million in 2023-24, reflecting a decline of 13.2% from ₹ 133,407 Million in 2022-23. The decrease in income from operations was due to a reduction in product subsidies during 2023-24, following the correction in key fertilizer raw material prices globally.

The EBITDA for the year stood at ₹ 7,169 Million, which decreased by 19.6% from ₹ 8,921 Million in the previous fiscal year. Additionally, the PAT stood at ₹ 999 Million in 2023-24, a decrease from ₹ 3,042 Million in 2022-23.

In 2023-24, we declared a dividend of ₹ 0.50 per equity share, representing a 5% payout on the face value of ₹ 10.

### Way Forward

Moving forward, our capacity augmentation, focus on full utilisation of production capacities, and strong ESG commitment position us for sustained growth. We anticipate increased demand and market expansion, supported by our robust product offerings and operational advancements.

### Conclusion

I extend my heartfelt gratitude to our shareholders, employees, and partners for their continuous support and commitment. Together, we are well positioned to navigate the evolving landscape of the industry and achieve our long-term goals.

Best Regards,

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

Product Offerings

# Nurturing Growth: Balanced Fertilisation
# FOR HEALTHY CROPS

**PPL's product portfolio ensures that soils and crops receive essential nutrients like nitrogen, phosphorus, potassium, sulphur, and zinc for optimal growth. The Company manufactures and distributes a range of complex fertilizers such as DAP and NPK, complemented by micronutrient like Zypmite. With over five decades of trust, PPL's brands of Jai Kisaan and Navratna resonate deeply with Indian farmers, symbolising the Company's commitment to agricultural excellence.**

## CORE PRODUCTS

18:46:0

Jai Kisaan Navratna DAP

20:20:0:13

Jai Kisaan Navratna NPK

60% K2O

Jai Kisaan Navratna MOP

46%N

Jai Kisaan Navratna Urea

12:32:16

Jai Kisaan Navratna NPK

10:26:26

Jai Kisaan Navratna NPK

## CORE PRODUCTS

19:19:19

Jai Kisaan Navratna NPK

28:28:0

Jai Kisaan Navratna NPK

## PRODUCT BASED ON CIRCULARITY

Zypmite

Zypmite is a micro-nutrient re-purposed from phospho-gypsum. It contains sulphur, zinc, boron, calcium and magnesium and is alkaline in nature. Zypmite is ideal for applications in acidic soils across the country.

**33,954**
Zypmite Production in MT in 2023-24

## INDUSTRIAL OFFERINGS

PPL's industrial offerings include phospho-gypsum, sulphuric acid, and ammonia.

Dealer and Distribution Network

# Surging Ahead with
# COLLABORATIVE SYNERGY

**PPL consistently cultivates its dealer and retailer network to boost sales density and enter new markets. By diligently nurturing relationships with channel partners, PPL effectively addresses the growing demand for its products.**

**15**
States Covered

**5,000+**
Number of Dealers

**520+**
Stock Points

**22**
Regional Marketing Offices

**75,000+**
Number of Retailers

**9+ Million**
Farmers Covered

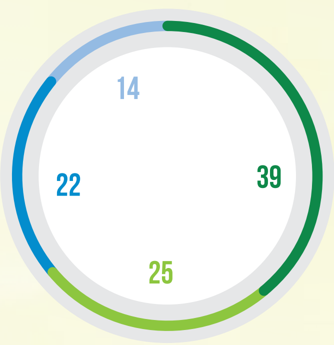
## EMPOWERING AND REWARDING DEALERS

**Dealer Meetings:** Building support with the key dealers for successful product establishment.

**Nurturing Programmes:** Nurturing Programmes are designed to build strong, lasting relationships with the dealers.

**Loyalty Programmes:** The Company's Loyalty Programmes recognise and reward dealers for their dedication and performance with various incentives. One such example is the exclusive trip to London, which fosters long-term partnerships with the dealers.

### Region-Wise Sales Split 2023-24 (%)




East North
West South

## OUR PRESENCE

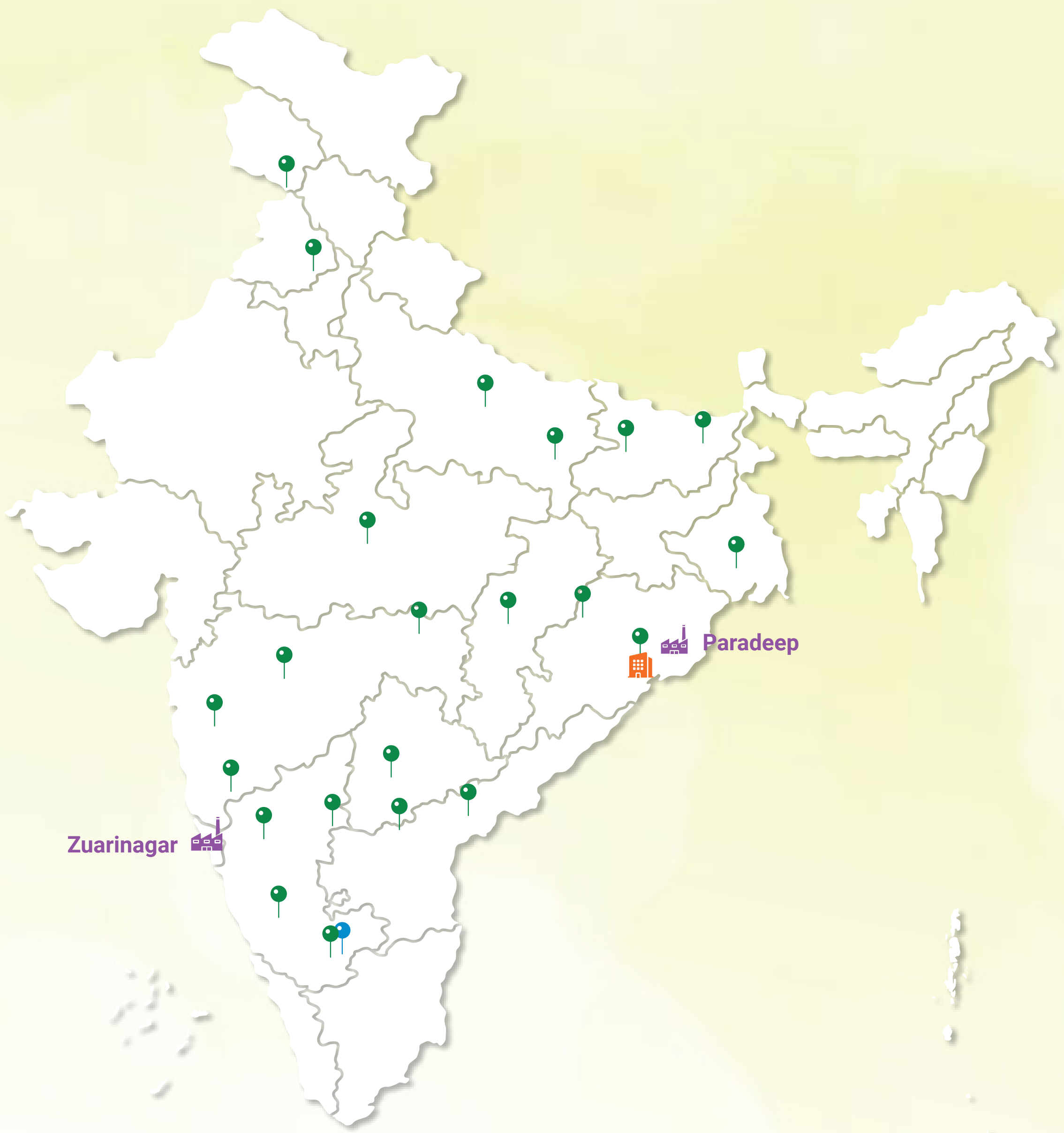
**Corporate Office**
Bengaluru

**Registered office**
Bhubaneswar

**Manufacturing Facilities**
Paradeep
Zuarinagar

**Regional Marketing Offices**

| | | |
|---|---|---|
| Chandigarh | Nagpur | Bellary |
| Lucknow | Bhopal | Hyderabad |
| Varanasi | Raipur | Kurnool |
| Patna | Aurangabad | Vijayawada |
| Purnia | Pune | Hassan |
| Kolkata | Kolhapur | Bengaluru |
| Bhubaneswar | Hubli | |
| Sambalpur | Vijaypur | |




Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/States do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

Growth Drivers

# Enabling Sustainable Growth
# AND MARKET LEADERSHIP

**PPL is anticipated to grow through strategic capital investments, merger benefits, operational efficiencies, and innovative product stewardship. These factors are expected to boost profitability, expand market reach, and promote sustainable development.**

## CAPEX PROJECTS ENHANCING PROFITABILITY

PPL is driving sustainable growth through strategic capital expenditure projects aimed at enhancing profitability. A significant milestone is the newly operational expanded phosphoric acid capacity, which strengthens production capabilities. Additionally, the Company is increasing sulphuric acid production capacity from 1.4 MMTPA to 2 MMTPA.

## PRODUCT STEWARDSHIP

PPL is at the forefront of innovation through advancements in domestic R&D. The Company is in the process of developing Biogenic Nano Urea and Nano DAP. Additionally, PPL is introducing new NPK variants, further enhancing its product portfolio to meet the crop and soil specific needs of the agricultural sector.

PPL's goa plant is known for producing unique NPK grades. NPK 19:19:19 is solely manufactured by Goa plant in India.

## MERGER ADVANTAGE

The intended merger of PPL and Mangalore Chemicals and Fertilizers Ltd upon completion, will lead to an expanded market reach and increased production capacity, establishing the Company as the largest private company in the country by installed production capacity. This consolidation will facilitate entry into new markets, particularly in the southern region of India, and deliver cost synergies.

## OPERATIONAL EFFICIENCY

The Company is enhancing operational efficiency through the implementation of just-in-time procurement strategies and the optimisation of production, distribution, and inventory management processes. These initiatives streamline operations, reduce costs, and improve responsiveness to market demands, ensuring sustained competitiveness and profitability in the industry.

Risk Management

# Navigating Uncertainties Through
# PRUDENCE AND PREPAREDNESS

**Paradeep Phosphates has defined a risk management framework which 'Assesses', 'Designs', 'Builds', and 'Supports' the implementation of a robust risk management infrastructure and set of processes which are not only linked to the strategic objectives but also continuously drive a proactive and sustainable risk 'aware' culture.**

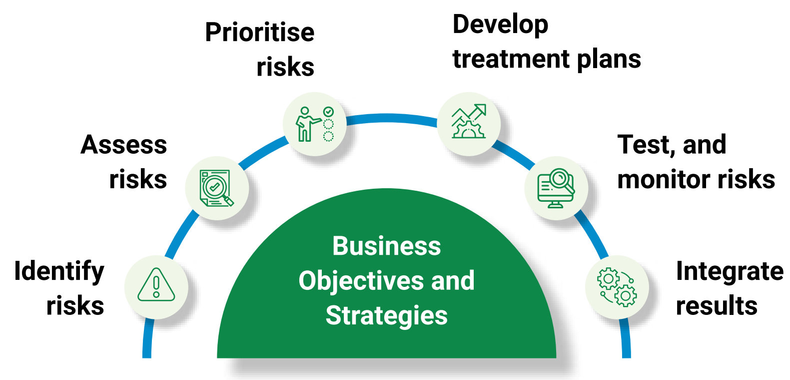
PPL adopts a proactive stance towards risk management. This approach is a crucial enabler in achieving business objectives and is closely integrated with the corporate strategy.

The Company's risk management practices are integral to sound corporate governance and effective leadership. Seamlessly integrated into decision-making processes and daily operations, effective risk management enables the Company to harness benefits derived from emerging opportunities.

### Risk Structure

- Policies
- Processes
- Organisation
- Reporting
- Methodology
- Systems & Data

### Risk Management Process




### Integrate with Management Processes

- Strategic objective setting and planning
- Annual business planning and performance monitoring
- Building & Driving a Sustainable Risk Culture

| Risk | Risk Description | Risk Causes | Risk Mitigation |
|---|---|---|---|
| **Government's Policy and Subsidy Pay-Outs** | Impact on the profitability of manufactured and traded complex fertilizers. Frequent changes in government fertilizer policy affecting sales and subsidy realisation. | • Retrogressive changes in policy.<br>• Limitation to sell P&K fertilizers at higher MRP despite global price volatility.<br>• Subsidy determined at the beginning of the season, leaving price volatility during the season unaddressed.<br>• Subsidy payment linked to dealers'/farmers' acknowledgment in iFMS and POS. | • Conduct gap analysis between current MRPs and reasonable MRP.<br>• Optimise product mix.<br>• Maintain constant discussion with the Government of India at the industry level.<br>• The finance team compiles subsidy outstanding details weekly for follow-up with the Department of Fertilizers (DOF) to minimise outstanding subsidy.<br>• Following submission of claims, the Subsidy Cell in Delhi conducts follow-up with the Ministry to seek early settlement. |
| **Global Uncertainties** | Global uncertainties regarding the availability of key raw materials for production. Volatility in prices impacting pricing and profitability. | • Raw materials are available in a limited number of geographies worldwide:<br>  • Phosphoric Acid – Morocco<br>  • Rock Phosphate – Morocco<br>  • Ammonia - Middle East, SEA<br>  • MOP - Middle East, Canada<br>• Price volatility due to macroeconomic factors and global supply chain constraints from geopolitical conflicts (e.g., Ukraine-Russia war, Palestine-Israel conflict). | • Establish long-term supply linkages for all key raw materials:<br>  • Rock Phosphate / $P_2O_5$<br>  • Ammonia<br>  • MOP<br>  • Sulphur<br>  • $H_2SO_4$<br>• Optimise product mix across sites to focus on products with higher contribution.<br>• Engage regularly with suppliers at operational and strategic levels to ensure competitive pricing and sustainable availability. |
| **ESG Risks** | Adverse effects on climate and the environment, and stoppages of production due to non-compliance with environmental laws. Legal, financial exposure, and reputational loss related to Environment, Health, and Safety issues. Human error in handling hazardous chemicals, particularly ammonia. Global push towards "Green Hydrogen" with uncertain commercial viability. | • Inability to control and reduce emissions and inappropriate monitoring of gas emissions.<br>• Failure to adopt and upgrade pollution control technologies.<br>• Non-compliance with applicable environmental laws and regulations. | • Strict adherence to all environmental laws.<br>• Installation and rigorous monitoring of all prescribed pollution control devices.<br>• Verification of tankers' hazardous chemical licences and fitness certificates before loading.<br>• Insurance policy for Public Liability to mitigate financial exposure. |
| **Currency Exchange Rate Volatility and Working Capital Strain Risk** | Volatility in USD-INR exchange rates leading to increased hedging costs. Blockage of working capital, causing strain on fund availability and increased interest costs. | • Key raw materials are imported (~75% of production costs) and are vulnerable to exchange rate fluctuations and global inflation indices. | • Implementation of a Board-approved hedging policy to manage exchange rate fluctuations, with periodic reviews for necessary updates.<br>• Formation of a task force for the prioritised collection of overdue receivables, with categorisation of dealers based on supply and overdue status. |
| **Cybersecurity** | IT risks include hardware and software failures, human error, spam, viruses, and malicious attacks. The most significant and widespread threat facing businesses is phishing attacks. | • Endpoint security lapses.<br>• Delays in patch updates for server OS and firewall.<br>• Lack of SSL in communication ports and applications.<br>• Outdated firmware.<br>• Weak passwords for emails and online applications.<br>• Pop-up blocking not done.<br>• User awareness issues. | • Implement a robust cybersecurity strategy focusing on prevention, detection, and remediation.<br>• Regularly update antivirus software and firmware.<br>• Enable gateway-level security for emails.<br>• Establish a strong backup plan for servers and endpoint devices.<br>• Conduct regular user training and awareness programmes on cybersecurity.<br>• Perform yearly Vulnerability Assessment and Penetration Testing (VAPT). |
| **Talent Retention** | Impact on business processes due to the loss of business-critical leaders or key talent. | • Non-readiness of second-in-line to take over in the event of exit of functional heads. | • Succession planning and manpower planning are conducted based on business requirements.<br>• Ensure readiness of successors through targeted interventions. |

Stakeholders Engagement

# Driving Partnership and **STRENGTHENING BONDS**

**PPL emphasises on cultivating transparent and inclusive channels of communication with all the key stakeholders. Through structured stakeholder engagement process, the Company strives to ensure that their diverse perspectives, concerns, and expectations are heard, understood, and integrated into the decision-making and business practices.**

| Stakeholder | Expectations | PPL's Response | Engagement Mode |
|---|---|---|---|
| Investors/Shareholders | • Shareholders expect consistent and sustainable growth in the Company's financial performance, including revenue and profitability.<br>• They seek strong returns on their investments through dividends and share price appreciation. | • Consistently given returns to the investors.<br>• Enhanced disclosures provided through the Company's documents like investor presentations, integrated annual report, audited financial results. | • Annual General Meeting (AGM)<br>• Press conferences<br>• Updates on the Company's website<br>• Investor/analyst meetings<br>• Stock exchanges announcements |
| Customers | • Safety and data privacy<br>• Ethical business practices<br>• Eco-friendly products and solutions<br>• Superior quality products and services | • Delivering top-notch quality products<br>• Timely resolution of customer complaints<br>• Constantly innovating new products to deliver the best-in-class customer/ farmers experience | • Website<br>• Periodic market research<br>• Customer visits<br>• Conferences |

| Stakeholder | Expectations | PPL's Response | Engagement Mode |
|---|---|---|---|
| Employees | • Health, safety, and environment<br>• Career growth opportunity<br>• Well-being and mental health<br>• Work-life balance<br>• Human rights | • Adhering to robust talent management practices<br>• Providing necessary training and learning opportunities<br>• Providing competitive remuneration, rewards, and recognitions | • Health Check-ups<br>• Focussed group discussions<br>• Employee engagement events<br>• Regular updates through email communication<br>• Employee satisfaction surveys |
| Community | • Livelihood opportunities<br>• Reduced environmental footprint<br>• Community development | • ₹ 103.6 Million CSR activity expenditure | • Interactions during the implementation of CSR projects<br>• CSR cell engagement with community |
| Government, Regulatory Bodies | • Timely compliance with laws and regulations<br>• Transparent and open operations<br>• Adherence to environmental laws<br>• Timely payment of taxes | • Timely tax payments<br>• CSR activities<br>• Support for government initiatives and vision | • Annual and quarterly compliance reports<br>• Press conferences and media events<br>• Published articles and newsletters |

Value Creation Model

# Driving Business **WITH VALUES**

PPL's value creation model is a comprehensive framework designed to ensure sustainable and long-term growth. By leveraging its diversified portfolio and robust operational practices, PPL drives value creation across all facets of the business. The Company's focus on innovation, stakeholder engagement, and environmental stewardship further enhances its ability to adapt to industry changes and contribute positively to the environment and society.

| Capitals | Inputs | Value Creation | Outputs |
|---|---|---|---|
| Economic | **Financial Capital**<br>₹ 4,526 Million CAPEX<br>77.74 Cost of Material as Percentage of Revenue | Using resources optimally to fuel growth, and innovation while enhancing revenues | ₹ 115,751 Million Revenue<br>5% Dividend<br>₹ 990 Million PAT |
| | **Manufactured Capital**<br>- Capacity Expansion from 1.2 MMTPA in March 2021 to 3.0 MMTPA by March 2024<br>- Fungible DAP/NPK Production Lines<br>- Backward Integration of Phosphoric Acid from 0.3 to 0.5 Million Tonnes | Efficient production leading to improved quality and soil-specific and crop-specific fertilizers | Total Production Volumes Increased by 13% Y-o-Y to 2.3 Million Tonnes<br>Total Sales Volumes Increased by 25% Y-o-Y to 2.5 Million Tonnes |
| | **Intellectual Capital**<br>₹ 16.2 Million R&D Spent<br>5 Dedicated R&D Professionals | Creating a competitive edge through product innovation and stewardship | 8.71% Unique NPK Products in the Product Basket |
| Social | **Human Capital**<br>2,398 Total Employees Including Workers<br>347 Training Programmes Conducted for Employees<br>Training Coverage (Health and Safety 68%, Skill-upgradation 77%)<br>Employee Well-being Programmes | Engaging with our workforce to enhance organisation performance and productivity | 65.8 Employee Satisfaction Index Score |
| | **Social and Relationship Capital**<br>₹ 103.6 Million CSR Spend<br>06 CSR Themes<br>9+ Million Farmers Connect<br>75,000+ Retailer Connect<br>5,000+ Dealer Connect<br>2,500+ Active Suppliers | Fostering partnerships with our value chain partners and developing communities to build stronger business outcomes | 25% Growth in Sales Volumes through Stronger Relationships, Long-term Agreements<br>59,000+ Lives Positively Impacted through CSR Projects |
| Environment | **Natural Capital**<br>15 Million GJ Energy Consumed<br>10.26 Million m³ Water Usage<br>Waste and Emission Management, Recycling and Circularity | Ensuring sustainable use of resources to minimise environmental impact and support long-term value-creation | 17% Reduction in Energy Intensity and in Scope 1 and Scope 2 GHG Emission Intensity<br>11% Reduction in Water use Intensity<br>3.5% of Phospho-Gypsum was Recycled to make Zypmite |

## Financial Capital

# Financial Fortitude: Leveraging High Volumes and Backward Integration

### Material Issues Addressed

- Risk Management
- Corporate Governance
- Responsible Supply Chain
- Stakeholder Management

### SDGs Impacted

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

### Impact of Financial Capital on Other Capitals

**Manufactured Capital:**
Enables expansions and enhances current capabilities

**Intellectual Capital:**
Enables investments in R&D and cutting-edge technologies

**Human Capital:**
Helps streamline processes, attracting and retaining top talent

**Natural Capital:**
Investment in clean energy, conservation of natural resources

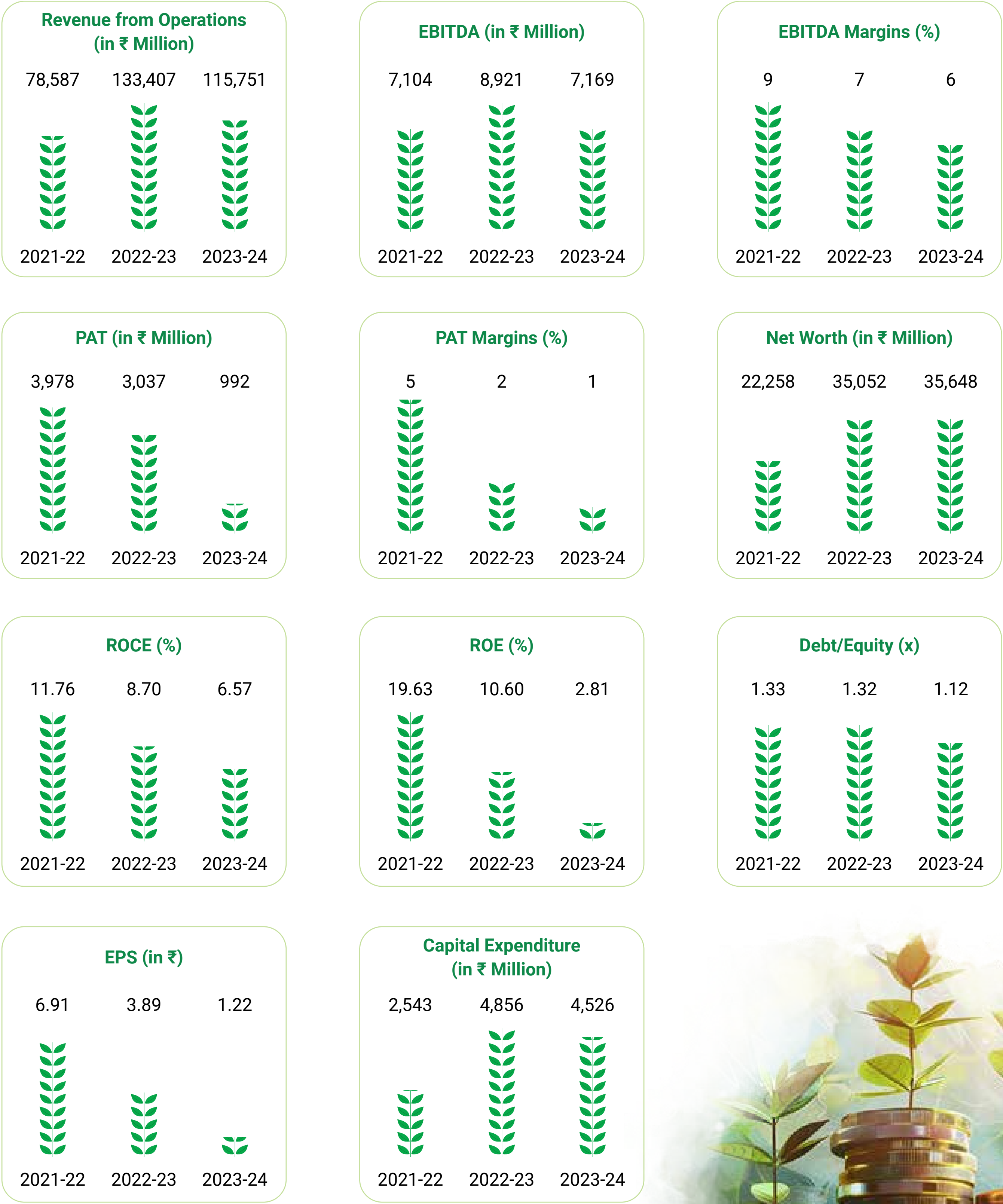
**Social and Relationship Capital:**
Facilitates partnerships and collaborations

In a challenging industry landscape, PPL has successfully navigated turbulent times through a focus on high volumes and robust sales performance. By ramping up production and leveraging backward integration, the Company has bolstered its operational resilience.

## Performance

In 2023-24, PPL recorded a total turnover of ₹ 1,16,440 Million. The Company's balance sheet remained strong with a PAT of ₹ 999 Million and EBIDTA of ₹ 7,169 Million. The Company's earnings per share stood at ₹1.23 per share for the year. PPL remains committed to the objective of providing favourable long-term value creation for shareholders. Additionally, the Company announced a dividend of ₹ 0.50 per equity share.

## Financial Performance



## Manufacturing Capital

# Innovating Excellence with Manufacturing Capital Expansion

### Material Issues Addressed

- Energy Efficiency
- Water Management
- Waste Management
- GHG Emission and Climate Change
- Chemical Safety
- Product Stewardship
- Responsible Supply Chain
- Risk Management

### SDGs Impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

### Impact of Manufacturing Capital on Other Capitals

**Financial Capital:**
Enhancing profitability and overall value creation for the Company

**Intellectual Capital:**
Innovation to enhance productivity and product quality

**Human Capital:**
Trained manpower and safe working conditions

**Natural Capital:**
Effective utilisation of inputs required to make finished fertilizers

**Social & Relationship Capital:**
Support to suppliers and dealers to enhance growth

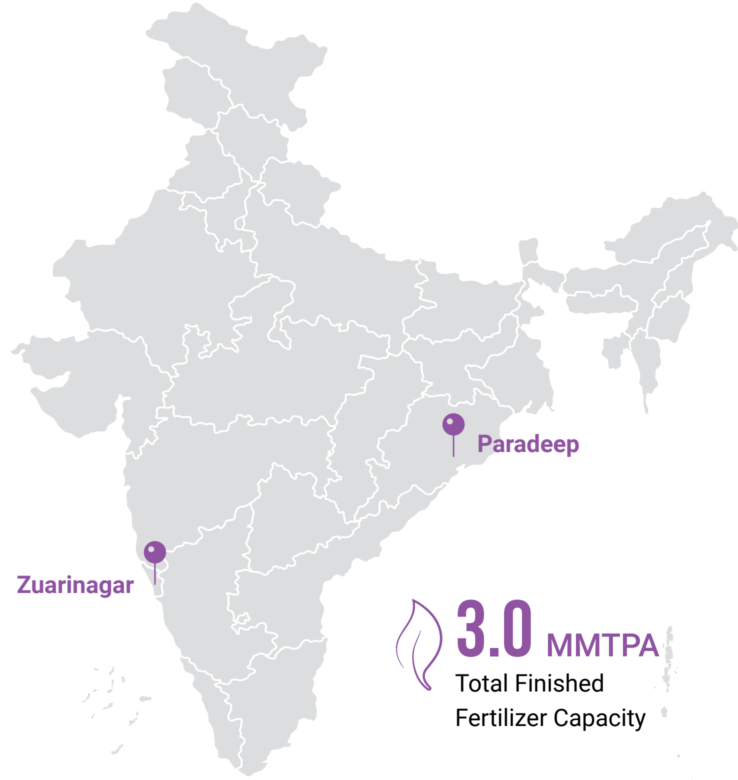
**Aligned with its growth ambitions and commitment to supporting agriculture in the country, PPL is dedicated to producing fertilizers that meet the soil and crop specific needs of farmers. To achieve this, the Company consistently innovates on new products, by utilising its production capacity optimally and focuses on enhancing efficiencies through strategic backward integrations.**

Given the growing food demand and the increasing 'area under crop cultivation' in the country, supported by favourable monsoons and high reservoir levels, fertilizer demand is expected to remain strong. The Company continues to strengthen its market position by delivering exceptional, reliable products that meet customer needs.

The Paradeep plant has 4 fungible DAP/NPK lines of production and is known for producing the highest quality of DAP and NPK-20 (20:20:0:13) as its flagship products. The Goa plant, in addition to producing Urea, produces unique NPK grades for its key markets in west and south of India.

Notably, NPK 19:19:19 is produced only by the Goa plant in the country. During 2023-24, PPL has produced 6 unique grades of NPK in addition to its core products of DAP, N20, N10, N12, N19, and N28.

Additionally, the Company's Paradeep plant features a backward-integrated captive phosphoric acid facility, which has increased its annual capacity from 0.3 Million to 0.5 Million Metric Tonnes this year. Similarly, the Goa plant, is backward integrated in ammonia production, boasts a diversified product portfolio and access to developed markets, ensuring robust growth and effective market penetration strategies. The Company has commenced work on enhancing its sulphuric acid capacity, further reinforcing its market position.




**3.0** MMTPA
Total Finished Fertilizer Capacity

**13%**
Y-o-Y Increase in Production Volumes

| Locations | Paradeep | Zuarinagar |
|---|---|---|
| Area (Acres) | 2,282 | 260 |
| Key Fertilizer Products | DAP, NPK-20, N-12, N-10, N-14 | NPK-10, N-12, N-14, N-19, N-28, DAP, Urea |
| Target Market | East, Central, and South | West, Central, and South |
| Installed Fertilizer Capacity (MMTPA) | NPK / DAP: 1.8 | NPK / DAP: 0.8<br>Urea: 0.4 |

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/States do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

Intellectual Capital

# Leveraging Intellectual Capital to Reach Innovative Frontiers

## Material Issues Addressed

- Energy Efficiency
- Chemical Safety
- Human Capital Development
- Product Stewardship
- Soil Health
- Opportunities in Clean Tech

## SDGs Impacted


## Impact of Intellectual Capital on Other Capitals

**Manufactured Capital:**
Improved product design, manufacturing techniques, and operational efficiency

**Financial Capital:**
Enhances PPL's intangible value and market positioning

**Human Capital:**
Enriches the knowledge, skills, and capabilities of the people

**Natural Capital:**
Implemented environment-friendly technologies and processes leading to efficient resource use

**Social and Relationship Capital:**
Stronger networks, partnerships, and societal contributions

**PPL views R&D as a key driver of future growth and integral to its operations, focussing on enhancing agricultural productivity while ensuring environmental sustainability. The Company strategically channels its R&D efforts to align with market demands and the needs of farmers.**

PPL empowers the teams across its R&D centre in Paradeep to innovate and translate outcomes into tangible breakthroughs. The R&D team continually works on improving formulations to optimise nutrient delivery and enhance crop yields in addition to developing newer products and grades.

**The primary responsibilities of the R&D team encompass:**

- Innovation in product development.
- Up-scaling laboratory processes to plant-scale while establishing standardised operating procedures.
- Identification of essential raw materials, including rock phosphates, ammonia, sulphur, and plant nutrient additives, among others.
- Exploration of novel applications for by-products.
- Execution of pre-feasibility performance assessments on raw materials.
- Creation and validation of analytical techniques.
- Tailoring products to meet FCO (Fertilizer Control Order) standards, offering customised solutions.

**1**
R&D Unit

**5**
R&D Team Members

**6**
Fully Equipped In-house Agricultural Development Labs (ADLs)

## Innovative Product Development Initiatives in 2023-24

Paradeep Phosphates is actively engaged in the research and development of value-added fertilizers, contributing to its intellectual capital and product diversification.

PPL has undertaken a lab-scale trial for the development of a new product formulation of low nutrient content NPK (12:11:18), which is a FCO-listed product. This innovative formulation was designed using raw materials such as Urea, MOP, NP 20, DAP, and bentonite. The trial results yielded promising outcomes with nutrient content measured at 12.1% Nitrogen (N), 11.06% Phosphorus ($P_2O_5$), and 18.12% Potassium ($K_2O$).

The development of SSP-Urea Fertilizer, a blended fertilizer made from Single Super Phosphate (SSP), Urea, and Phospho-gypsum. Early testing has shown promising results, with the product containing 15.1% total $P_2O_5$, 4.5% nitrogen, and 13.48% sulphur, reflecting its effectiveness as a balanced fertilizer.

Additionally, Paradeep Phosphates is working on a Zincated DAP Fertilizer aimed at enhancing micronutrient content. Two formulations—DAP with $ZnSO_4$ and DAP with ZnO—have been developed, both achieving zinc content above 0.5%. These fertilizers offer a dual advantage of macronutrients and zinc enrichment, catering to crop-specific needs and supporting sustainable agriculture.

**8.71%**
Contribution of Unique NPKs in Product Basket

Social and Relationship Capital


# Nurturing Social Capital Through Continuous Engagement

**PPL acknowledges the importance of having a purpose beyond mere profits, which has become a fundamental aspect of the Company's identity. The company recognises the crucial roles played by suppliers, dealers, retailers, and farmers in its growth journey. PPL's CSR endeavors are carefully attuned to the urgent needs of the community, addressing key areas such as public health and sanitation, education, employment, rural and slum development, rural sports promotion, and access to clean water, among others.**

## Material Issues Addressed

- Community Relations
- Human Capital Development
- Water Management
- Digitalisation
- Responsible Supply Chain
- Stakeholder Management
- Diversity and Inclusion

## SDGs Impacted


## Impact of Social and Relationship Capital on Other Capitals

**Intellectual Capital:**
Drive knowledge creation, innovation, and organisational learning

**Human Capital:**
Skill development, education, and health initiatives, fostering community empowerment and sustainable growth

**Manufactured Capital:**
Robust supply of raw materials

**Natural Capital:**
Promote environmental stewardship and sustainable practices

**Financial Capital:**
Cost savings, enhanced brand value, and sustainable supply chain

### Raw Material Suppliers

PPL maintains strong relationships with its raw material suppliers, ensuring a reliable and efficient supply chain. By strategically partnering with these suppliers, the Company not only secures the necessary resources but also supports the development of sustainable practices within the supply chain.

### Dealers and Retailers

The Company's network of dealers and retailers plays a critical role in distributing its products effectively. PPL is committed to nurturing these relationships through its Dealer Cultivation Programme, which provides dealers with essential tools and knowledge to succeed in a competitive market. This network is instrumental in ensuring that PPL's products reach farmers efficiently and effectively. The Company also implements loyalty programmes, including incentives such as exclusive trips, to foster long-term partnerships and reward performance.

### Farmers

Farmers are at the heart of PPL's operations. The Company prioritises understanding and addressing their needs through farmer-centric solutions and continuous engagement. By providing high-quality fertilizers and support, PPL contributes to improving agricultural productivity and sustainability. The Company's focus on farmers helps in aligning its product offerings with practical agricultural needs, enhancing overall value.

## BTL Activities Organised in 2023-24

| Activities | Number |
|---|---|
| Retailer Meetings | 276 |
| Farmer Meetings | 8,407 |
| Demonstrations | 2,252 |
| Crop Seminar | 973 |
| Campaign Days | 5,303 |
| FPO Farmer meetings | 1,354 |

## Digital Activities Organised in 2023-24

| Activities | Million No. |
|---|---|
| Total Video Views | 29.4 |
| Facebook Video Ads | 17.8 |
| Facebook Impressions | 203 |
| Facebook Reach | 63.6 |
| YouTube Agri Channel Views | 3.8 |
| YouTube Entertainment Channel Views | 5.7 |
| OTT, Games, and APP Views | 2 |

# CSR ACTIVITIES

PPL prioritises its commitment to society, initiating impactful CSR activities to benefit communities surrounding its manufacturing locations.

PPL is dedicated to positively impacting the communities surrounding its plant. Through various initiatives, the Company engages with local communities to address their needs and contribute to their well-being. This includes supporting local development projects, engaging in community dialogues, and fostering a collaborative relationship with the residents. PPL's commitment to community engagement ensures that the benefits of its operations extend beyond the plant, contributing to the overall development and sustainability of the local area.

**59,000+**
Lives Touched

**₹ 103.6 Million**
CSR Spent in 2023-24

## Livelihood and Community Empowerment

55 women were provided with agricultural drones to promote entrepreneurship, while 1,662 women participated in training programmes designed to enhance agricultural practices. Additionally, 1,146 households received support for animal husbandry.

**3,545** Lives Touched

## Healthcare and WaSH


PPL's commitment to healthcare and water, sanitation, and hygiene (WaSH) initiatives has provided 50 TB patients and 34 anaemic patients with essential nutrition and healthcare support. In addition, over 300 elderly individuals received geriatric kits, eye care services, and walking aids. Furthermore, 168 bedridden elderly patients benefited from regular health check-ups, ensuring consistent medical attention.

**32,875** Lives Touched

## Education

Over the past three years, the Company developed 30 Anganwadi centres under the Navratna Balyagruha Project. As part of its Model School Programme, 15 STEM centres and 15 libraries were established, creating enriched learning environments. Additionally, 32 teachers were trained as Trainer of Trainers, amplifying the impact of educational programmes. Furthermore, 1,000 girls received training through the PARity programme, empowering them with essential skills for the future.

**8,859** Lives Touched

## Environment and Biodiversity

The Company planted 47,400 saplings and 1,958 fruit-bearing trees, contributing to local reforestation and ecological balance. Additionally, 110 acres of land were irrigated using solar energy, resulting in electricity savings of 320 units per day.

**7,044** Lives Touched

## Rural and Slum Development

PPL's efforts in rural and slum development have focused on improving infrastructure and living conditions. In 2023-24, connectivity issues were resolved in 4 villages, and 4 solar power projects were implemented to address power disruptions, significantly enhancing quality of life. Additionally, safe drinking water was provided to nearly 550 households.

**1,925** Lives Touched

## Rural Sports and Sports Promotion

PPL actively promotes rural sports, nurturing young talent and fostering athletic development. Notably, 1 girl was selected for the Khelo India National Championship in football, and 8 boys earned spots in the state-level championships. The Company's efforts also led to the U-17 boys' team winning 1 gold medal and securing victory in a state-level tournament.

**3,545** Lives Touched

## Aspiration District Programme

PPL established 900 kitchen gardens to combat nutrition issues in tribal families and developed 16 solar irrigation facilities to promote sustainable agriculture in remote areas, benefiting 1,300 households in Rayagada District.

**1,300** Tribal Households Benefited

Human Capital

# Cultivating Excellence by Empowering Human Capital

## Material Issues Addressed

- Human Capital Development
- Diversity and Inclusion
- Occupational Health and Safety
- Labour Management
- Human Rights
- Digitalisation

## SDGs Impacted


## Impact of Human Capital on Other Capitals

**Financial Capital:**
Higher earnings per employee ratio on account of better employee productivity

**Intellectual Capital:**
Retain the best talent to drive research and innovation

**Natural Capital:**
Training and sensitisation of the workforce to ensure the best utilisation of natural resources

**Manufactured Capital:**
Higher productivity, process management

**Social and Relationship Capital:**
Ensuring robust relations with all stakeholders

**PPL values its employees as the most precious asset and continuously strives to cultivate a healthy and inclusive workspace that fosters their well-being and growth. The Company believes that embracing diversity and promoting inclusion are not just moral imperatives but critical drivers of its success and innovation. In line with its business objectives, PPL's approach to human capital development centres on nurturing fulfilling careers, cultivating strong leadership skills, and ensuring exceptional employee experience.**

PPL continued its focus on employee core connect, engagement, learning and development, building a workplace that is safe, engaging, and productive. The Company is undertaking the digitalisation of all talent management processes to enable regular communication. The Company is also providing various learning opportunities to employees, enhancing their career growth.

Further, the learning and development teams are ensuring continuous training, and wellness sessions addressing safety and health are raising awareness among employees and their families about key areas related to their well-being.

**2,398**
Total Workforce*

**84**
Permanent Female Employees

**65.8**
Employee Satisfaction Index Score

*Permanent Employees + Workers

## Employee Engagement

PPL strives to create a workplace where every individual feels appreciated and empowered. The Company aims to provide an environment where one experiences fulfilment and joy through challenging roles. PPL proudly crafts and implements forward-thinking, best-in-class, and employee-centric policies for their overall well-being. The Company fosters a culture emphasising on accountability, inclusivity, and creativity, ensuring the entire workforce is motivated to strive for personal and professional development.

## Learning and Development

PPL firmly believes that the growth and development of its employees are directly linked to the growth of the Company. Additionally, the Company arranges various continuous learning programmes and training sessions designed to regularly improve performance, productivity, and enhance skills and competencies of the employees. This strategy underlines PPL's commitment towards employee development, ensuring that the team remains adept and up to date with the latest industry standards and practices.

Cultivating future leaders is a critical component of today's leadership responsibilities. In line with this, PPL has instituted a comprehensive programme designed to holistically nurture employees who display future potential, equipping them for future senior managerial positions.

## Diversity and Inclusion

PPL is actively working towards fostering an empowering environment that embraces diversity, equity, and inclusion. The Company is committed to promoting a workplace that is free from any form of discrimination based on gender identity, age, ethnicity, sexual orientation, disability, faith, marital status, etc. Harassment in any form is strictly prohibited and handled through appropriate mechanisms. PPL takes pride in cultivating not only a diverse workforce but also an environment where every individual feels they belong and can thrive.

## Human Rights

PPL maintains a strict policy of zero tolerance towards any form of discrimination or harassment. The Company is committed to upholding human rights, prohibiting any form of human rights abuses, and effectively resolving grievances from affected stakeholders.

## Employee Health and Wellbeing

During the fiscal year 2023-24, the Company successfully completed general annual health check-ups for 700 employees and 2,210 contractual workers. Additionally, the Company extended its focus on specialised care, with 495 employees and contractual workers participating in special health check-ups, tailored to address specific needs.

**700**
Employees Benefited from Health Check-up

**2,210**
Workers Benefited from Health Check-up

Natural Capital

# Nurturing Natural Capital for Sustainable Growth

## Material Issues Addressed

- Energy Efficiency
- GHG Emission and Climate Change
- Water Management
- Waste Management
- Circularity
- Opportunities in Clean Tech
- Human Capital Development
- Diversity and Inclusion
- Corporate Governance
- Risk Management

## SDGs Impacted


## Impact of Natural Capital on Other Capitals

**Financial Capital:**
Lowering environment impact due to focussed environmental positive capital projects

**Intellectual Capital:**
Keeping ESG at the core of innovating inputs for new products and processes

**Human Capital:**
Awareness on environment and sustainability amongst workforce

**Manufactured Capital:**
Increase production of sustainable products

**Social and Relationship Capital:**
Implement initiatives related to the themes of ESG viz. water conservation

**PPL views environmental stewardship as both a key responsibility and a driver of the Company's growth. It is dedicated to minimising the environmental footprint by implementing sustainable practices across all facets of operations. Sustainability for the Company is a continuous journey rather than a destination.**

## Energy Management

PPL is committed to optimising energy management by implementing advanced procedures and systems that improve operational efficiency while minimising energy consumption. One of the key focus areas is the integration of renewable energy sources into the Company's operations, particularly through solar power generation at the Paradeep facility.

In addition to solar projects, PPL is also utilising exothermic reactions, such as sulphur to sulphuric acid conversion, to capture heat (steam) and use it to run turbines, further enhancing energy efficiency.

PPL's energy needs are met through steam and electricity generated from waste heat recovery systems during the sulphuric acid manufacturing process. This significantly reduces the scope 1 and 2 GHG emissions for the Company, aligning with its broader sustainability and energy management goals.

**15** Million G-Joules
Total Energy Consumed

**0.24** $tCO_2$/MT
Scope 1 & 2
GHG emission intensity

**255** KW
Installed Solar Capacity

## Sustainable Sourcing

PPL strategically optimises its sourcing processes by rationalising volumes, assessing the distance from source countries, and choosing efficient transportation methods, all with the aim of driving Scope 3 emissions downward. 3% of the company's overall procurement comes from MSME and local vendors, with a particular focus on sourcing from marginalised communities wherever possible.

In line with its sustainability commitments, the Company is developing an ESG-based supplier evaluation framework. This framework will assess, select, and build capacity among critical suppliers to ensure alignment with PPL's sustainability goals.

## Water Management

Recognising the medium and high-water stress in operational areas, PPL prioritises water conservation. Groundwater is not sourced for industrial or domestic purposes; instead, water is obtained from the Taladanda canal at the PPL facility. PPL ensures that waste water gets treated and recycled and is confined to the plant's location to prevent discharge. PPL adheres to regulations on effluent discharge and maintains zero liquid discharge during the non-monsoon season through closed-loop water cycles and recycling channels. Rainwater harvesting and a reverse osmosis (RO) plant at the Goa facility further contribute to reducing freshwater consumption.

## Waste Management and Circularity

PPL's waste management strategy is founded on the 3R principle of 'Reduce, Reuse, and Recycle,' ensuring that waste is minimised and upcycled across its operations. Waste that cannot be repurposed is disposed of responsibly, adhering to all regulatory and statutory guidelines.

The Company is also committed to circularity by repurposing by-products such as gypsum. Gypsum is generated as a byproduct in the production of P2O5, with 5 tonnes of gypsum produced for every tonne of P2O5. This material is effectively managed through its applications in cement production and road construction. Additionally, gypsum is repurposed into a value added alkaline product called 'Zypmite', which is sold separately and used as fertilizers, particularly in acidic soils.

## Biodiversity Management

PPL conducted a comprehensive biodiversity assessment at its Paradeep site, focusing on local flora and fauna within a 10 km radius. The study employed established survey methods, including vegetation surveys and faunal assessments, using plot, point count, and line/belt transect techniques. Conducted over 10 days by two field teams with senior biodiversity experts, the assessment utilised spatial data from satellite imagery and vegetation mapping tools to evaluate ecosystem health.

The survey revealed a varied biodiversity profile. Dominant tree species included Azadirachta indica, Pandanus tectorius, and Vachellia nilotica, while shrubs like Lantana montevidensis and Acanthus ilicifolius were prominent. Herb diversity, featuring Cynodon dactylon and Typha angustifolia, indicated positive ecological health. Faunal biodiversity included 22 insect species, 60 fish species, 54 bird species, two reptile species, and two mammal species.


ESG

# ESG in **ACTION**

**PPL made a stellar debut in S&P's Dow Jones Sustainability Index (DJSI) Sustainability Ranking for 2023. This prestigious recognition affirms the Company's commitment to sustainable development and responsible business practices.**

| | PPL's DJSI Score | Industry Average |
|---|---|---|
| Environment | 45 | 34 |
| Social | 54 | 32 |
| Governance | 55 | 31 |
| ESG Score | 51 | 32 |

## AVIAN DIVERSITY AT PARADEEP PHOSPHATES:

The Paradeep site, spanning 2,280 acres, is a vital habitat for over 30,000 migratory birds from more than 50 species annually. It offers diverse habitats like wetlands, grasslands, and woodlands, supporting avian biodiversity and ecological research. These birds, traveling long distances from around the world, help maintain ecological balance through seed dispersal, pollination, and insect control.

## 2023-24

- Paradeep Phosphates achieved a notable DJSI ESG score of 51, placing it in the top 25 percentile globally within its sector, reflecting strong ESG performance and industry leadership.

## 2022-23

- ESG policies were implemented, at the corporate level, in the areas of human rights, anti-bribery and corruption, supplier code of conduct, product stewardship, water, biodiversity and environment.
- Studies were conducted for water stress at both the plants. Biodiversity assessment was conducted at the Paradeep site.
- A new supply chain framework was developed to assess suppliers from the lens of ESG.
- The Company released its second ESG report and its maiden BRSR report, further demonstrating its commitment to detailed and transparent sustainability reporting.

## 2021-22

- The Company focused on identifying material topics and conducting GHG accounting for Scope 1, 2, and 3 emissions to establish a robust sustainability framework.
- Paradeep Phosphates published its first ESG report, aligning with global frameworks such as GRI, SASB, and the UN SDGs to ensure comprehensive and transparent reporting.

## January 2022

- Paradeep Phosphates embarked on its ESG and sustainability journey, integrating these principles into its corporate strategy to align with long-term goals.

Governance

# Achieving Leadership and
# GUIDED BY STRONG GOVERNANCE

**PPL is dedicated to fostering long-term value through responsible business practices, guided by its robust ESG approach. The Company has established an ESG Committee, led by the Managing Director and comprising key business function leaders, to oversee and implement ESG strategies. This governance framework, built on trust, ethics, and accountability, is supported by strong internal controls and transparency. PPL is also in the process of forming a board-level ESG committee to further enhance its governance practices. Upholding exemplary corporate governance standards, PPL integrates ESG principles into its operations, reinforcing its commitment to ethical conduct and sustainable business growth.**

## BOARD OF DIRECTORS

Mr. Saroj Kumar Poddar
**Chairman**

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

Mr. Soual Mohamed
**Director**

Mr. Karim Lotfi Senhadji
**Director**

Mr. Dipankar Chatterji
**Independent Director**

Mr. Satyananda Mishra
**Independent Director**

Mr. Subhrakant Panda
**Independent Director**

Mrs. Rita Menon
**Independent Director**

## SENIOR EXECUTIVES

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

Mr. Rajeev Nambiar
**President & Chief Operating Officer**

Mr. Harshdeep Singh
**President & Chief Commercial Officer**

Mr. Bijoy Kumar Biswal
**Chief Financial Officer**

Mr. Raj Kumar Gupta
**Chief Procurement Officer**

Mr. Palanisamy Velusamy
**CMO & Unit Head Paradeep Plant**

Mr. Nilesh Dessai
**CMO & Unit Head Goa Plant**

Rajneesh Bhardwaj
**Chief Human Resources Officer**

Mr. V. Vinay
**Chief Sustainability Officer**

Mr. Sachin Patil
**Company Secretary**

# GOVERNANCE OVERVIEW

PPL's governance structure is supported by a range of specialised committees, each dedicated to specific areas of oversight and management. These committees, including Audit, Nomination and Remuneration, Risk Management, Finance, Corporate Social Responsibility, Stakeholder Relationship, and ESG Steering, play pivotal roles in ensuring robust corporate governance, effective risk management, and strategic ESG integration.

| Committee Name | Mandate | BODs Associated |
|---|---|---|
| **Audit** | The Audit Committee upholds the quality and credibility of accounting, auditing, and reporting practices at PPL. It ensures compliance with legal and regulatory requirements, while also recommending auditors for appointment, re-appointment, and replacement, as well as determining their remuneration and appointment terms. Additionally, the Committee evaluates internal financial controls, assesses the sufficiency of control systems, and oversees risk management. |  Dipankar Chatterji  Karim Lotfi Senhadji  Satyananda Mishra |
| **Nomination and Remuneration** | PPL's Nomination and Remuneration Committee assesses the compensation of Directors, Key Management Personnel (KMPs), and senior management. The aim is to strike a balance between fixed and incentive pay, aligning with short and long-term performance objectives and the Company's goals. The Committee also oversees Employee Stock Option Plans and provides advice to the Board on diversity matters. Additionally, it evaluates the performance of Board members, ensuring accountability and effectiveness. |  Satyananda Mishra  Rita Menon  Soual Mohamed |
| **Risk Management** | The Risk Management Committee operates independently, taking responsibility for efficient risk management at PPL. It focuses on identifying, predicting, and mitigating potential emerging risks. The Committee ensures the use of appropriate methodologies, processes, and systems to monitor and evaluate risks associated with its operations. Additionally, it oversees the implementation of the risk management policy and conducts periodic reviews to ensure its ongoing effectiveness. |  Dipankar Chatterji  Karim Lotfi Senhadji  N. Suresh Krishnan  Rajeev Nambiar |

| Committee Name | Mandate | BODs Associated |
|---|---|---|
| **Finance** | The Finance Committee provides advice to the Board on budgeting and financial planning. It reviews financing proposals, exercises borrowing powers within Board-approved limits, and facilitates cost-effective refinancing. The Committee secures short and long-term funds for operational, corporate, and capital needs, ensuring alignment with approved limits. |  N. Suresh Krishnan  Karim Lotfi Senhadji  Rita Menon |
| **Corporate Social Responsibility** | The CSR Committee develops policies in line with CSR laws and aligns them with the Board's agreement. It oversees the management of the CSR department or team, encompassing programme development, expenditure review, implementation, and timely completion. Additionally, the Committee ensures regular updates to the Board regarding the progress and impact of CSR initiatives. |  Rita Menon  N. Suresh Krishnan  Karim Lotfi Senhadji |
| **Stakeholder Relationship** | The Stakeholder Relationship Committee at PPL protects stakeholder rights and interests while ensuring transparency. It upholds the trust and confidence of stakeholders in the Company and addresses the concerns of shareholders, debenture holders, and other security holders. The Committee is dedicated to resolving any grievances that may arise effectively. |  Satyananda Mishra  N. Suresh Krishnan  Rita Menon |
| **ESG Steering** | The ESG Steering Committee plays a crucial role in PPL's sustainability efforts by developing and advocating for the Company's ESG strategy. It ensures the effective execution of ESG initiatives, policies, and transparent disclosures to key stakeholders, including the Board of Directors, promoters, and investors. The Committee monitors emerging ESG trends, recommends necessary adjustments to policies and practices, and tracks the Company's progress against its ESG goals. Additionally, it manages internal and external communications, fostering stakeholder engagement. The Committee also conducts annual reviews of internal ESG Key Performance Indicators (KPIs) to drive ongoing improvement and reinforce PPL's commitment to responsible business practices. |  N. Suresh Krishnan |

# COMPANY POLICIES

| Policy | Guidelines |
|---|---|
| Code of Conduct | The Company's Code of Ethics sets clear guidelines and expectations for all employees concerning ethical standards and business practices. It is closely linked to the Company's core values and serves as a detailed guidebook to uphold the utmost levels of ethical behaviour. Additionally, the Code of Ethics delineates effective channels for handling complaints, emphasising the protection of employees, and enabling the resolution of any instances of non-compliance. |
| Board Diversity Policy | The Company emphasises on the importance of a diverse Board of Directors for robust governance. A formal Board Diversity policy has been established, taking into account factors such as culture, gender, age, regional background, industry experience, talent, and expertise in the selection of Board members. This commitment encourages a Board that is both representative and experienced, fostering inclusivity and strengthening decision-making processes. |
| Whistle-Blower Policy | A structured reporting mechanism is accessible to all employees, including permanent, probationary, trainee, and temporary staff, to report any instances of actual or suspected breaches of the Code of Conduct or unethical conduct. This ensures that employees have a formal process to raise concerns and uphold a culture of integrity and ethics within the Company. |
| Corporate Social Responsibility (CSR) | PPL's CSR policy highlights its commitment to social responsibility and community development. Prioritising local communities as crucial stakeholders, the Company implements CSR projects in compliance with Section 135 of the Companies Act, 2013. By adhering to its CSR policy, the Company strives to create a positive and lasting impact on society. These projects are meticulously planned and executed to tackle social and environmental challenges, contributing to the holistic well-being of the communities where it operates. |
| Prevention of Sexual Harassment Policy | To create a safe and inclusive workplace, the Company has implemented a comprehensive Prevention of Sexual Harassment Policy. This policy adopts a firm stance of zero tolerance towards any form of workplace harassment. Its primary goal is to cultivate a secure and supportive environment that is free from all types of harassment. By fostering a workplace where every employee feels respected and protected, the policy aims to increase women's participation in the workforce, promoting their economic empowerment and contributing to inclusive growth. The Company is dedicated to upholding this policy and safeguarding the well-being and dignity of all employees. |
| Integrated Management System Policy | PPL has adopted an Integrated Management System (IMS) policy to enhance operational efficiency and effectiveness. It encompasses a comprehensive approach to aligning processes with the International Fertilizer Association's (IFA) Protect & Sustain (P&S) initiative guidelines. By adhering to these standards, the Company aims to reduce the adverse impact of its products and operations on the environment, maintain ecological balance, and protect biodiversity in and around its facilities. This proactive approach showcases the organisation's commitment to sustainable practices and environmental stewardship. |
| Human Rights | Paradeep Phosphate is committed to the principles of sustainable development, including protecting and respecting human dignity. The Company believes that safeguarding human rights is integral to conducting business. The Company is dedicated to respecting the human rights of its workforce, communities, and all those affected directly or indirectly by its operations, products, and services. The Company is committed to identifying, assessing, and minimising potential adverse impacts through due diligence and the management of issues, while effectively resolving grievances for affected stakeholders. The Company upholds the spirit of human rights as enshrined in the Constitution and in conformance with international standards. |

| Policy | Guidelines |
|---|---|
| Anti-Bribery | The Company is dedicated to the prevention, deterrence, and detection of fraud, bribery, and all other corrupt business practices. It is the Company's policy to maintain honesty in every situation and uphold ethical standards in all business practices. The Company ensures that its actions and policies are not only legal but also adhere to the highest standards of business ethics and personal integrity. Committed to upholding laws relevant to countering bribery and corruption in all jurisdictions of operation, the Company strictly prohibits employees and associated persons from offering or accepting bribes in any form, whether monetary or otherwise. |
| Tax Policy | The 'Tax Policy' established by the Company reflects its commitment to being a responsible corporate citizen. The Company is dedicated to complying with all taxation laws of India, as it currently operates solely within this geographical territory. The pledges to uphold integrity in its compliance and reporting procedures. The approach includes developing a risk-based tax strategy and planning framework that aligns with the Company's business strategy and corporate decisions. The Company is committed to adhering to Indian Transfer Pricing Regulations and refrains from using tax structures aimed at tax avoidance. |
| Health and Safety | Paradeep Phosphate Limited is committed to continually improving Occupational Health and Safety (OHS) standards while conducting business operations. The Company has adhered to OHS compliance obligations, minimised risks, and prevented injury and ill health. It has implemented Process Safety Management to ensure zero process-related incidents, provided access to essential health services and protective equipment, assessed occupational risks, and promoted safety awareness. The Company has allocated resources to champion OHS performance and periodically reviews the policy for effectiveness. |
| Supply Chain Code of Conduct | PPL expects its suppliers and partners to cooperate and support in building a sustainable value chain. The Company actively monitors relationships to maintain high ethical standards and address any concerns or changes. The Company requires all suppliers to conduct their business responsibly, comply with relevant laws, rules, and regulations, and apply these standards, or equivalent business standards, in their supply chain (value chain). If these standards diverge from local laws, suppliers are expected to adhere to local laws while upholding the principles outlined in the Code. |
| Environment Policy | PPL is aware that its business activities impact the environment. The Company has strived to prevent and reduce any adverse impacts. PPL has maintained a robust oversight management structure for environmental issues to deliver on this policy commitment. Environmental performance is monitored with objectives and targets established for continuous improvement. The Company has established systems and procedures to reinforce its commitment to environmental responsibility and creates awareness among internal and external stakeholders. It has imparted necessary training to fully realise the implementation of this policy. |
| Biodiversity and No-Deforestation | PPL has instituted a Biodiversity Protection and No Deforestation policy to establish a sustainable relationship between its business operations and the ecosystem. This policy articulates PPL's commitment to understanding the strategic significance of biodiversity within its business framework and to maintaining and enhancing biodiversity through innovation, technology, and stakeholder consultations. A dedicated team is responsible for executing the policy, evaluating biodiversity and deforestation impacts, and implementing preservation, restoration, and expansion activities related to biodiversity and nature. |

Awards and Accolades

# Awards and ACCOLADES

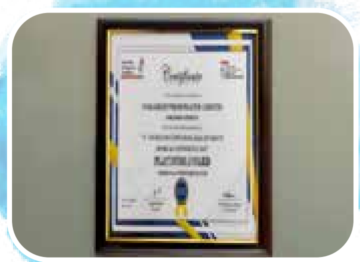
Best Annual Report
Award 2023

Energy Conservation
Award 2023

FAI Best Plant and Environment
Management 2023


CSR Golden Peacock
Award 2022

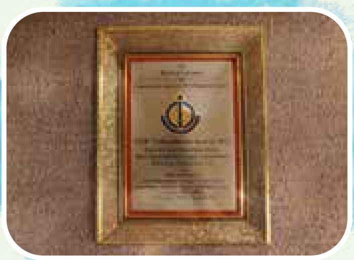
Excellence Award by Odisha
CSR Forum 2022



Exceed Award 2022 on OSH in
Platinum Category, Goa

Recognition for 'Shared Vision
for Better World' by the Bureau
of Indian Standards

## INDUSTRY RECOGNITION



CIDC Vishwakarma Best Award
Professionally Managed Co.

Accolades by CII for Energy
Conservation Initiatives



Corporate Information

# Corporate INFORMATION

## Board of Directors

**Mr. Saroj Kumar Poddar**
Chairman

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

**Mr. Soual Mohamed**
Director

**Mr. Karim Lotfi Senhadji**
Director

**Mr. Dipankar Chatterji**
Independent Director

**Mr. Satyananda Mishra**
Independent Director

**Mr. Subhrakant Panda**
Independent Director

**Mrs. Rita Menon**
Independent Director

## Company Secretary & Compliance Officer

Mr. Sachin Patil

## Corporate Identification Number

L24129OR1981PLC001020

## Senior Executives

**Mr. Rajeev Nambiar**
Chief Operating Officer

**Mr. Harshdeep Singh**
Chief Commercial Officer

**Mr. Bijoy Kumar Biswal**
Chief Financial Officer

**Mr. Raj Kumar Gupta**
Chief Procurement Officer

**Mr. Palanisamy Velusamy**
CMO & Unit Head, Paradeep

**Mr. Nilesh Dessai**
CMO & Unit Head, Goa

**Mr. Rajneesh Bhardwaj**
Chief Human Resources Officer

**Mr. V. Vinay**
Chief Sustainability Officer

## Auditors

**M/s. B S R & Co. LLP**
**Chartered Accountants**
Godrej Waterside, Unit No. 603, 6th Floor, Tower 1, Sector V, Salt Lake, Kolkata - 700091, West Bengal, India

## Bankers

State Bank of India
Canara Bank
Punjab National Bank
HDFC Bank Limited
ICICI Bank Limited
Axis Bank Limited
DBS Bank India Limited
Bank of Baroda
Union Bank of India
Bank of India
Indian Bank
Indusind Bank

## Registered Office

5th Floor, Bayan Bhavan, Pandit Jawaharlal Nehru Marg, Bhubaneswar - 751001, Odisha, India

## Corporate Office

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

## Plant Site

**Paradeep Unit**
PPL Township, Paradeep - 754145, Dist - Jagatsinghpur, Odisha

**Goa Unit**
Jai Kisaan Bhawan, Zuarinagar - 403726, Goa

## Registrar and Share Transfer Agents

**Link In time India Private Limited**
C-101, 1st Floor, 247, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India
Tel: +91 22 4918 6200
Email: rnt.helpdesk@linkintime.co.in
Website: https://www.linkintime.co.in/

# MANAGEMENT DISCUSSION AND ANALYSIS

### Global Economy

The global economy has demonstrated resilience despite significant challenges in 2023 and 2024. Although stringent monetary policies designed to address high inflation have impacted economic activity, several key factors have supported growth. The early signs of resilience in 2023, observed before the full impact of policy tightening, combined with decisive actions by authorities to mitigate financial instability, have balanced the outlook. Notably, India has emerged as a bright spot with its robust expansion as the fastest-growing major economy.

Inflation is expected to gradually decrease, supporting a more balanced recovery across regions. Projections indicate a decline in inflation from 6.9% in 2023 to 5.0% in 2024 and further to 3.4% in 2025, driven by stringent monetary policies and diminishing pressures on goods and energy prices. This gradual easing, combined with resilient growth and rapid disinflation, reflects favourable supply dynamics, including the reduction of energy price shocks and a rebound in labour supply.

### Global Economic Outlook

According to the IMF, the global economy grew by 3.2% in 2023, and this growth rate is expected to remain steady through 2024 and 2025. The global economy is expected to sustain steady growth, showing resilience despite significant central bank interest rate hikes aimed at curbing inflation. Advanced economies are likely to see a slight increase in growth, while emerging and developing markets may experience modest deceleration. The outlook remains cautiously optimistic, supported by continued innovation, technological advancements, and strategic policy measures.

### Global Agriculture and Crop Production Market

The global population is projected to increase by over 700 Million, reaching 8.7 Billion by 2033. India, having become the world's most populous country after surpassing China in 2023, is expected to grow at an average annual rate of 0.8% over the next decade.

The per capita calorie intake is projected to rise in developing and emerging economies, with lower middle-income countries seeing the greatest increases, followed by upper middle-income countries. Gains in India and emerging Asia will boost food consumption, while low-income countries will see only modest increases. This trend will significantly impact the agriculture market and fertilizer use, supporting sustainable food production across various income levels.

The global crop production market grew from USD 5,743.28 Billion in 2023 to USD 6,254.37 Billion in 2024.

Growth varies by region. Developed areas like North America and Europe are driven by technological advancements and mechanisation, while emerging markets in Asia, Africa, and Latin America benefit from traditional practices, government subsidies, and increased demand due to population growth. Climate variability has also prompted the adoption of resilient farming practices. Looking ahead, advancements in genetic engineering and climate-smart agriculture are expected to drive further growth, with the market projected to reach USD 8,570.63 Billion by 2028, growing at a CAGR of 8.2%.

### Key Disruptions in Global Agriculture

The global agriculture sector faces several significant challenges. Climate change, which has led to record high land and sea surface temperatures in 2023, threatens crop yields and food security. It exacerbates extreme weather events such as droughts, hurricanes, and floods, impacting agricultural production and trade patterns. Geopolitical tensions and trade disruptions also affect the availability and pricing of agricultural inputs and products. Additionally, disruptions to key maritime passages, such as the Suez and Panama Canals, can severely impact global supply chains, causing delays and increased freight costs. Technological advancements, while generally beneficial, require substantial investment and adaptation by farmers, adding another layer of complexity to the sector.

### Key supply-side disruptions during 2023-24

**Suez Canal Blockage**

In early 2024, trade through the Suez Canal dropped by 50% compared to the previous year, disrupting global supply chains, and impacting macroeconomic indicators. Increased attacks on vessels in the Red Sea reduced traffic through this crucial route, leading to diversions around the Cape of Good Hope. This added at least 10-15 days to delivery times, affecting companies with limited inventories storage capacities.

**Russia-Ukraine Conflict**

The ongoing conflict between Russia and Ukraine has significantly disrupted the global supply of fertilizer raw materials. Russia's production and export activities have been severely impacted, resulting in supply shortages and rising prices.

**Middle East Tensions**

Tensions in the Middle East, a key region for hydrocarbon production, have also disrupted supply chains for natural gas and other raw materials essential for fertilizer production. Conflicts and political instability in countries such as Iran, Iraq, and Syria have led to fluctuations in supply and price volatility.

**US-China Trade Disputes**

The trade war between the US and China, marked by substantial tariffs on various goods, has disrupted the flow of essential raw materials for fertilizer production. This has increased costs for manufacturers reliant on imports and led to supply shortages as alternative sources are sought.

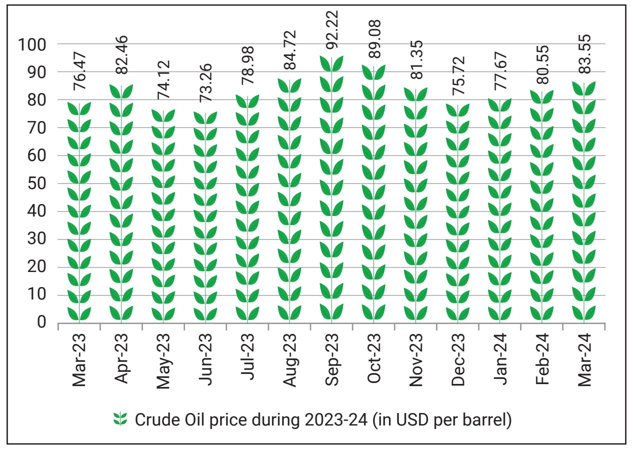
### Global Agriculture and Crop Production Outlook

The global agriculture and crop production market has a positive outlook, driven by ongoing food demand and advancements in agricultural technologies. Growth will be fuelled by rising population, economic development, and the adoption of innovative practices such as digital farming platforms, AI for crop monitoring, autonomous farming equipment, and mechanisation. China's influence on global food and agricultural consumption is waning due to domestic challenges. India and Southeast Asia are emerging as key players, supported by their expanding urban populations, and increasing affluence. Fertilizer companies are expected to benefit from this growth, as the demand for crops drives the need for fertilizers to improve soil fertility and yields. Additionally, the shift toward sustainable and regenerative agriculture presents opportunities for the development of eco-friendly, nano, and organic fertilizers, catering to the growing segment focussed on environmental conservation.

Management Discussion and Analysis (Contd.)

### Global Commodity Prices

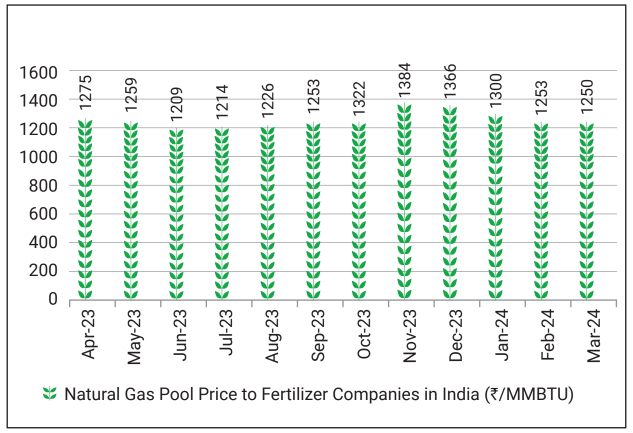
**Crude Oil**




Fluctuations in crude oil prices have significantly impacted fertilizer prices globally and in India throughout the year. Initially, high crude oil prices increased transportation costs for fertilizers.

Crude oil prices co-relate directly with fertilizer prices because they affect natural gas prices—a key raw material for nitrogen-based fertilizers. Additionally, sulphur, a by-product of crude oil and essential for fertilizer production, also saw price increases. Consequently, elevated crude oil prices led to higher costs for natural gas and sulphur, further driving up fertilizer production costs.

**Natural Gas**

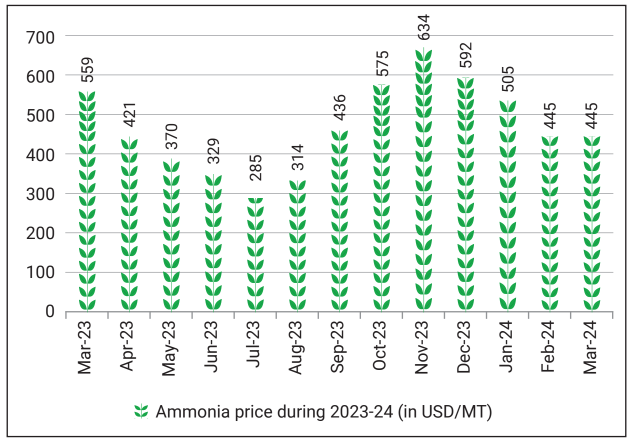



Note: Pool Price is Weighted average delivered price of Natural Gas to all the Urea Manufacturing Companies

Natural gas is a critical feedstock in the production of ammonia, which is essential for nitrogen-based fertilizers such as urea. In India, urea-based fertilizer companies receive natural gas through a pass-through uniform pool price mechanism. Consequently, fluctuations in natural gas prices have significant implications for both public finances and the working capital cycles of fertilizer companies.

### Global Fertilizer Raw Material Prices

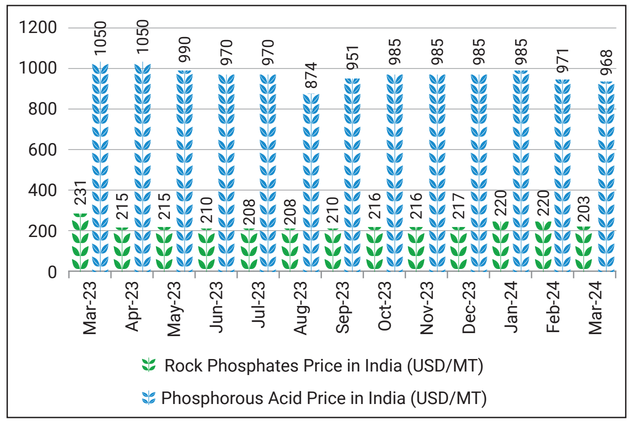
#### Ammonia (CFR)




Ammonia is essential in the production of various fertilizers, acting as a key component for nitrogen-based fertilizers crucial for agricultural productivity. During the 2023-24 period, the average CFR India price for ammonia was USD 446/MT, representing a 49.00% decrease from the previous year.

Ammonia price fluctuations directly affect the cost of producing nitrogen-based fertilizers. Ammonia pricing is significantly influenced by global production rates and production shutdowns. Given that ammonia is a derivate of hydrogen from crude, much of its production occurs in the Middle East, a major crude oil producer. Additionally, since ammonia is hazardous and liquid, production, transportation, and storage costs are critical factors. Fertilizer companies with specialised ammonia storage facilities are better positioned to manage price volatility and benefit from fluctuations in ammonia prices.

#### Rock Phosphates and Phosphorous Acid (CFR)




Rock phosphates are primarily processed into phosphoric acid, which is then used to produce various phosphorus-based fertilizers, including diammonium phosphate (DAP), triple superphosphate (TSP), and monoammonium phosphate (MAP). Variations in rock phosphate prices directly affect the cost of producing phosphorus-based fertilizers.

Morocco holds the largest rock phosphate reserves, essential for fertilizer production, with approximately 50 Billion tonnes. China follows with about 3.2 Billion tonnes while Egypt and Algeria hold around 2.8 Billion tonnes and 2.2 Billion tonnes respectively. India's domestic rock phosphate supply is limited, making it heavily reliant on imports to meet fertilizer needs.

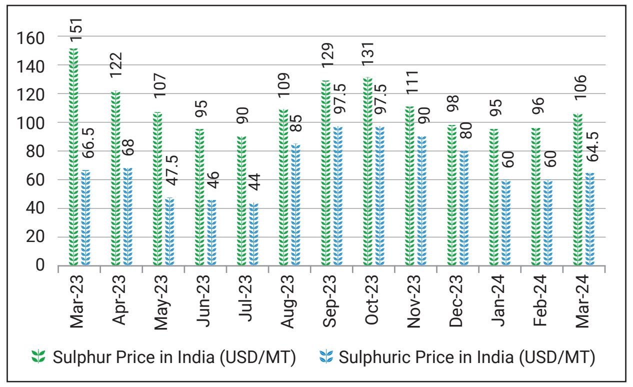
Phosphoric acid is a vital component in the production of phosphorous-based fertilizers essential for plant growth. Its price tends to correlate with that of finished DAP and rock phosphate. For 2023-24, the average price of phosphoric acid was USD 986/MT. This stability in pricing provided fertilizer companies with a predictable cost environment, aiding in the planning of production costs and pricing strategies.

Many fertilizer companies produce phosphoric acid in-house from rock phosphate. This proves to be cost-effective and improves operational efficiency and financial stability.





#### Sulphur and Sulphuric Acid (CFR)

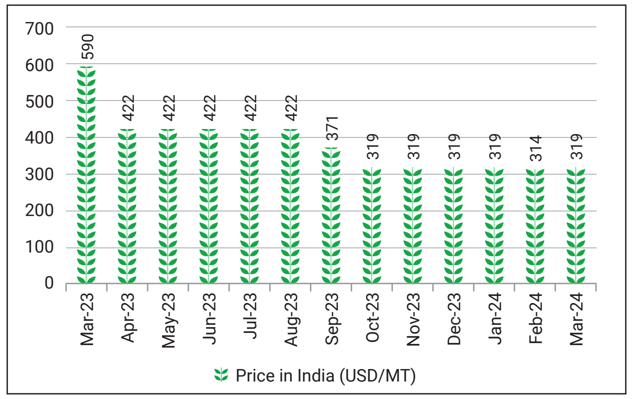



Sulphur and sulphuric acid, both derivatives of crude oil, are essential inputs in the production of finished fertilizers. Their pricing is influenced by crude oil production levels and the storage capacities of crude oil companies.

During the 2023-24 period, the average cost and freight (CFR) India prices for sulphur and sulphuric acid were USD 107.42/MT and USD 64.62/MT, respectively. This represents a decrease of 56.81% and 44.27% compared to the previous year.

The price difference between sulphur and sulphuric acid during this period was USD 42.80/MT, indicating that fertilizer companies producing their own sulphuric acid benefitted from lower costs.

#### Muriate of Potash (MOP) (CFR)



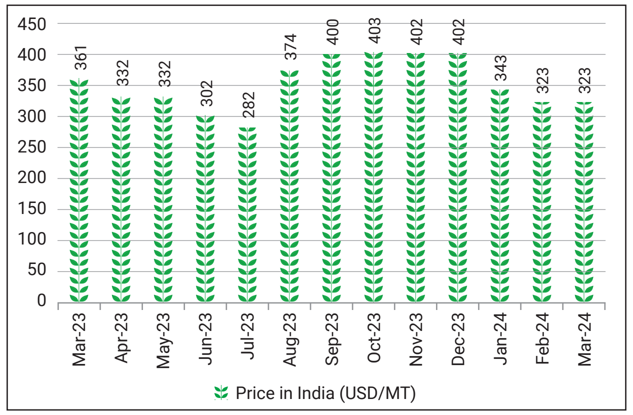

MOP is essential for supplying potassium, a vital nutrient that enhances plant growth, crop quality, and overall yield. Potassium helps regulate water uptake, improve disease resistance, and increase the efficiency of other nutrients like nitrogen and phosphorus.

Fluctuations in MOP prices directly affect the cost of potassium-based fertilizers.

The major suppliers of MOP are Canada (potash belt), Russia, Belarus, and Germany. The major demand for MOP comes from China, India, Brazil, and the US.

### Fertilizers Finished Goods

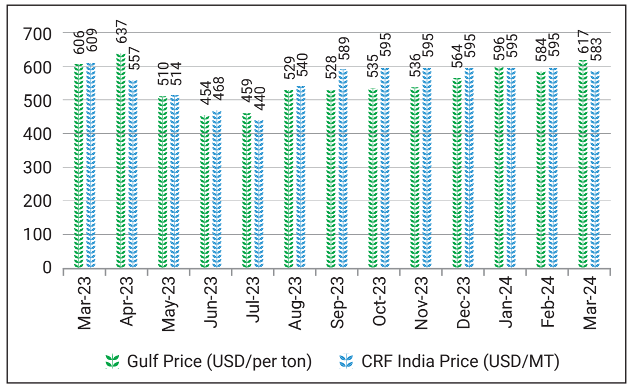
#### Urea (FOB)




In 2023, Russia and Qatar remained the leading exporters of urea. Chinese urea exports were constrained by strong domestic demand and export restrictions. Concurrently, India enhanced its self-sufficiency in urea production, leading to a reduction in imports due to higher domestic output.

The major suppliers of urea are Middle Eastern countries Qatar, Saudi Arabia, Russia, China, and the US, while the major demand for urea comes from India, China, the US, and Brazil.

#### DAP (CFR)




DAP is a widely used phosphorous fertilizer that provides essential nitrogen and phosphorous nutrients for plant growth. It is particularly beneficial during the early stages of crop development, promoting root growth and early-season vigour.

India consumed 10.81 Million MT of DAP during 2023-24, accounting for 16.93% of the total fertilizer consumption volume for the same period.

The major suppliers of DAP are China, Morocco, Saudi Arabia, and the US. The major demand for DAP comes from India, Brazil, the US, and China.

### Outlook For The Global Fertilizers Market

The global fertilizer market is set for significant expansion, with its size estimated at USD 384.37 Billion in 2024 and projected to reach USD 543.20 Billion by 2030, at a CAGR of 5.93% over the forecast period (2024-2030). This growth is driven by key factors including rising urbanisation, diminishing agricultural land, and increasing food production demands.

**Europe**, the second-largest fertilizer market, shows strong growth fuelled by modern agricultural practices and regulatory support for sustainable farming. As urbanisation increases and agricultural areas shrink, the efficient use of fertilizers becomes critical to maximise crop yields.

**Asia-Pacific** emerges as the fastest-growing market for fertilizers, underpinned by its vast agricultural base and rapid industrialisation. **China**, the world's largest producer and exporter of fertilizers, contributes 25% of global production according to the US Department of Agriculture (USDA).

**India**, the second-largest fertilizer consumer worldwide, highlights the robust demand in the Asia-Pacific region. With a consumption volume of 64 million MT major fertilizers in 2023-24, the country underscores the essential role of fertilizers in sustaining agricultural productivity.

As global urbanisation progresses and agricultural land becomes more constrained, fertilizer demand is expected to rise. This trend will likely stimulate market growth, with substantial investments in innovation and sustainable practices. Governments and industry players are concentrating on enhancing fertilizer efficiency, reducing environmental impact, and improving supply chain resilience.

### Indian Economy

India's GDP growth for 2023-24 has surpassed initial projections, with the Ministry of Statistics and Programme Implementation revising the growth rate upward to 8.2%. This represents a significant improvement from the previous fiscal year, underscoring the resilience and strength of the Indian economy amidst shifting global dynamics. This accelerated growth has propelled the Indian economy to a milestone of USD 3.5 Trillion, paving the way toward the ambitious USD 5 Trillion target in the coming years.

Agriculture remains a vital source of livelihood for a substantial portion of the population, generating employment, especially in rural areas where other sectors have not provided sufficient opportunities. In labour-surplus economies like India, where rising incomes increase food demand, agriculture must continuously expand production to avert food shortages and ensure food security.

Additionally, agriculture significantly contributes to capital formation through asset allocation, rural development, infrastructure projects, and job creation. The sector's ability to generate capital supports broader economic growth, fostering the development of other industries and services.

### Indian Agriculture

The agriculture market in India is projected to be valued at USD 372.94 Billion in 2024 and is anticipated to grow to USD 473.72 Billion by 2029, at a CAGR of 4.90% from 2024 to 2029.

India, as a major global agricultural powerhouse, holds significant rankings in the production of various crops.

**No. 1 in Spices** | **No. 1 in Milk** | **No. 1 in Pulses**

Additionally, India is the second-largest producer of rice, wheat, and cotton globally, following China, and ranks second in sugar production after Brazil. Further, it ranks second in tea production and is among the top producers of various fruits and vegetables, including mangoes, bananas, and potatoes.

Agriculture and allied sectors remain the largest source of livelihoods in India, with 70% of the rural population primarily dependent on agriculture. Despite having 82% of farmers classified as small and marginal, the sector employs 59% of the country's total workforce. India's agricultural production has rendered the country self-sufficient in food grains, yet challenges persist in ensuring nutrition security for its 1.3 Billion population.

Balanced fertilisation is crucial to improving agricultural productivity in India, which ranks first globally in fertilizer consumption per hectare of agricultural land. However, the average yields of major crops like rice, wheat, and pulses remain below potential due to fragmented landholdings, imbalanced fertilizer use, and limited adoption of improved technologies.

To address these challenges, the Indian government is promoting the use of technology to boost agricultural productivity and incomes. Key initiatives include digital agriculture platforms like the National Agriculture Market (e-NAM) for online trading, digital registries, and public





infrastructure to ensure IT access across the country, and a robust agricultural research system comprising 102 ICAR institutes and 73 agricultural universities.

Technological advancements are rapidly reshaping agriculture in India, creating investment opportunities, uplifting rural areas, and enhancing global food security. Notable technologies being adopted include IoT for effective farm surveillance and automated irrigation, drones for soil health scans, crop monitoring, spraying, and yield forecasting, precision farming using big data analytics and robotics, AI and machine learning for autonomous farm tasks and predictive analytics, and blockchain for enhancing agricultural supply chains and empowering farmers. These innovations hold the potential to significantly boost productivity, efficiency, and sustainability in Indian agriculture.

### Indian Fertilizer Market

The Indian fertilizer market is projected to reach approximately USD 39.54 Billion by the year 2030. This growth represents a CAGR of 5.22% from 2024 to 2030. In 2023, the market size was recorded at USD 27.70 Billion. These figures highlight the expected expansion and significant potential of the fertilizer industry in India over the coming years.

Larger fertilizer companies gain advantages from long-term agreements with raw material suppliers, backward integration of production processes, extensive distribution networks, and strong brand recognition among farmers for their product portfolios. In contrast, many smaller players in the fragmented market lack these capabilities and depend on imported raw materials and intermediates.

### Production, Import, and Sales during 2023-24

During 2023-24, the production of urea reached 31.41 Million MT and NP/NPK complex fertilizers stood at 9.55 Million MT, reflecting increases of 10.2% and 2.8%, respectively, compared to 2022-23. Conversely, the production of DAP declined by 1.2% to 4.29 Million MT, and SSP production dropped by 21.0% to 4.46 Million MT over the same period.

Imports of urea, DAP, and NP/NPKs also saw declines during 2023-24 compared to the previous year. Urea imports fell by 7.1% to 7.04 Million MT, DAP imports decreased by 15.4% to 5.57 Million MT, and NP/NPK imports dropped by 19.4% to 2.22 Million MT. However, MOP imports increased by 53.8% to 2.87 Million MT during the same period.

Except for SSP, the DBT sales (sales by retailers to farmers through point-of-sale machines) of major fertilizer products increased during 2023-24 compared to 2022-23.

Total fertilizer sales reached approximately 64.70 Million MT in 2023-24, up from 63.84 Million MT in 2022-23. Specifically, the sales of urea increased by 0.2% to 35.78 Million MT, DAP sales rose by 3.8% to 10.81 Million MT, MOP sales grew by 0.8% to 1.64 Million MT, and NP/NPKs sales surged by 9.9% to 11.07 Million MT. However, SSP sales declined by 9.4% to 4.54 Million MT during the same period.

**Production, Import and Sale of Major Fertilizers in 2022-23 and 2023-24 (April/March)**

| | Urea | DAP | NP/ NPKs | SSP | MOP |
|---|---|---|---|---|---|
| **Production (Million MT)** | | | | | |
| 2022-23 | 28.50 | 4.35 | 9.29 | 5.65 | - |
| 2023-24 (P) | 31.41 | 4.29 | 9.55 | 4.46 | - |
| +- % in 2023-24 over 2022-23 | 10.2 | (1.2) | 2.8 | (21.0) | - |
| **Import (Million MT)** | | | | | |
| 2022-23 | 7.58 | 6.58 | 2.75 | - | 1.87 |
| 2023-24 (P) | 7.04 | 5.57 | 2.22 | - | 2.87 |
| +- % in 2023-24 over 2022-23 | (7.1) | (15.4) | (19.4) | - | 53.8 |
| **Sales# (Million MT)** | | | | | |
| 2022-23 | 35.75 | 10.42 | 10.07 | 5.02 | 1.63* |
| 2023-24 (P) | 35.78 | 10.81 | 11.07 | 4.54 | 1.64* |
| +- % in 2023-24 over 2022-23 | 0.2 | 3.8 | 9.9 | (9.4) | 0.8 |

* MOP for direct application # = DBT sale (P) = Provisional
Source : Fertilizer Association of India report

The overall market expanded by 1.96% in 2023-24 compared to 2022-23.

Notably, the NPK segment experienced the most significant growth, approximately 10%, while DAP saw a year-on-year increase of around 4%. These impressive growth rates for both NPK and DAP are highly beneficial for the balanced nutrition of Indian soils and bode well for the phosphatic fertilizer companies in India.

### Factors influencing fertilizer market size during 2023-24

**Stabilisation of Raw Material Prices**

In 2023-24, fertilizer raw material prices corrected steadily from post-COVID levels. This stabilisation enabled companies to improve planning, manage inventory efficiently, and optimise their production mix. Moreover, stable prices enhanced market confidence among farmers and distributors, ensuring consistent demand for fertilizers.

**El Niño**

The transition from La Niña to El Niño in 2023-24 led to erratic rainfall, impacting fertilizer consumption and creating financial challenges for companies. Government investments in irrigation helped mitigate some impacts, but adapting to these climatic changes will be crucial for future market stability.

**Rainfall**

In March-April 2024, India faced a 13% rainfall deficit, impacting soil moisture and delaying crop sowing. While 19 of 36 meteorological sub-divisions had normal to excess rainfall.

**Water Reservoirs**

As of 25th April 2024, 150 of India's major reservoirs had a total live storage capacity of 178.78 BCM, with 53.36 BCM available, down from 64.78 BCM a year earlier. This represented 82% of last year's storage and 96% of normal levels. Several states in India reported lower storage levels, impacting agricultural activities by potentially limiting irrigation and affecting fertilizer demand and application.

**Government Policies**

The Government of India plays a crucial role in the fertilizer sector, acting as a stabilising force to protect Indian farmers from the volatile macroeconomic impacts of commodity price fluctuations. By ensuring the consistent availability of fertilizers, the government supports agricultural productivity and sustainability.

In the context of a growing population and decreasing availability of arable land, combined with the predominance of small agricultural land parcels, the government has prioritised food security. This is achieved through substantial subsidies to fertilizer companies, aligning domestic fertilizer prices with global raw material costs, thereby maintaining affordability and accessibility for farmers.

**a) Agriculture Initiatives:**

- The government announced MSPs for 23 crops to provide price assurance to farmers. MSPs act as a safety net and incentivise farmers to increase production of these crops.
- Direct financial assistance has been provided to 11.8 Crores farmers under PM-KISAN.
- Crop insurance has been provided to 4 Crores farmers under PM Fasal Bima Yojana.
- The Saksham Anganwadi and Poshan 2.0 scheme will expedite the upgradation of Anganwadi centres to improve nutrition delivery, early childhood care, and development.

**b) Fertilizer-Based Initiatives**

- In the July 2024 Union Budget, the government has allocated ₹ 1.52 Lakh Crores to farming and allied sectors
- The fertilizer sector has received a total budget of ₹ 1.64 Lakh Crores, with ₹ 45,000 Crores designated for products under nutrient-based subsidies
- The Government of India is promoting the use of nano fertilizers via a) awareness campaigns b) newer capacity building c) availability at PMKSKs d) SHGs e) field demonstrations
- The 'Namo Drone Didi' Scheme provides drones to 15,000 women SHGs for nano fertilizer application
- Domestic urea production is expected to increase by 2025, with four new plants operational, advancing India toward self-sufficiency (Atma Nirbhar Bharat)

## Fertilizer Market Outlook for India

The Indian fertilizer market is poised for growth in the upcoming fiscal year, driven by several key factors. The monsoon forecasts, with expected levels at 106% and 102% of the long-period average for 2024 according to IMD and Skymet respectively, are favourable for the sector.

There is a noticeable shift towards soil and crop-specific nutrient applications aimed at enhancing farm yields by addressing the unique requirements of different crops. This trend signifies a move towards more precision based fertilisation practices.

A significant development is the increasing preference for phosphate and potash-oriented NPKs over urea alone. This approach supports balanced fertilisation and optimises nutrient delivery. Additionally, the gradual adoption of Nano fertilizers, which offer higher nutrient content per unit, is expected to reduce reliance on imported fertilizers and boost domestic production.

Ensuring a consistent supply of high-quality raw materials and finished fertilizers is vital for effective nutrient management, soil health, and food security. The government's focus on self-reliance (Aatmanirbhar Bharat) aligns with this objective. A strong performance in the sector will contribute to overall economic growth in 2024-25, improve rural income prospects, replenish granaries, and address food inflation concerns.

Paradeep Phosphates Limited (PPL) is strategically positioned to capitalise on these trends. The Company's expertise in sourcing reliable raw materials and producing a diverse range of NPK products, including making Nano fertilizers, supports its market position. With a robust distribution network serving over 9 Million farmers across 15 states, PPL is well-equipped to meet the growing demand.

## Company Overview

PPL is India's second-largest privately-owned phosphatic fertilizer Company, with a production capacity of 3.0 Million metric tonnes per annum (MMTPA). The Company's diverse product portfolio includes core products such as DAP, various NPK grades, Zypmite, and Urea, as well as industrial products like phospho-gypsum, sulphuric acid, and hydrofluorosilicic acid (HFSA).

PPL operates advanced manufacturing facilities in Paradeep, Odisha (1.8 MMTPA), and Zuarinagar, Goa (1.2 MMTPA). The Odisha plant is ISO 9001, ISO 14001, ISO 45001, and ISO 50001 certified, while the Goa plant holds ISO 14001 and ISO 45001 certifications and features a unique co-located urea and NPK manufacturing capability.

Under its flagship brand, '**Jai Kisaan Navratna**', PPL serves over 9 Million farmers across 15 states in India. The Company's extensive network includes 22 regional offices, 529 stock points, and more than 5,000 dealers. Through its core competencies of plant locations by the ports, fungible production lines of NPKs, state-of-art infrastructure in manufacturing and storages and pan-India distribution capability, PPL produces and delivers high-quality fertilizers, thereby significantly boosting agricultural productivity across the country.

PPL demonstrated its commitment to environmental, social, and governance (ESG) principles through several key initiatives. These included product stewardship innovations such as nano fertilizers and specialised NPKs, water-stress assessment, biodiversity study and comprehensive greenhouse gas (GHG) accounting for scope 1, 2, and 3. PPL also reported its ESG performance through two successive ESG reports and one Business Responsibility and Sustainability Report (BRSR). As a result of these efforts, PPL achieved an ESG score of 51 in S&P's Dow Jones Sustainability Index (DJSI) for the year 2023.

## Performance Highlights in 2023-24

| | 31st March 2024 | 31st March 2023 |
|---|---|---|
| Production (MT) | 2,304,970 | 2,032,516 |
| Sales Volume (MT) | 2,527,591 | 2,029,183 |
| Revenue from Operations (₹ Crores) | 11,575.12 | 13,340.72 |
| PBT (₹ Crores) | 140.17 | 425.66 |
| PAT (₹ Crores) | 99.24 | 303.69 |

The Company achieved year-on-year increases in production and sales volumes of 13% and 25%, respectively, during 2023-24, resulting in a larger market share. NPK fertilizers represented approximately 50% of total sales volumes, reflecting the Company's ability to produce and sell a diverse range of NPK grades tailored to specific soil and crop conditions in India.

Revenue from operations for 2023-24 was ₹ 11,575.12 Crores, showing a decline of 13.2% compared to the previous year. This can be attributed to a reduction in product subsidies during 2023-24. The adjustment in these subsidies was a direct consequence of the global correction in key fertilizer raw material prices.

Profit Before Tax (PBT) and Profit After Tax (PAT) were ₹ 140.17 Crores and ₹ 99.24 Crores, respectively. Profit margins in 2023-24 were influenced by multiple factors, including a greater reduction in subsidies for DAP, an unviable pricing structure for specific NPK grades, and retrospective adjustments to subsidies.

| Production in '000 MT | 2023-24 | 2022-23 |
|---|---|---|
| DAP | 734 | 675 |
| N-20 | 712 | 595 |
| Other fertilizers | 859 | 763 |
| Total Fertilizers | 2305 | 2,033 |

## Analysis of Financial Performance

This section reviews the consolidated financial results for the year ending 31st March 2024. PPL and its joint venture's financial statements comply with Indian Accounting Standards (Ind AS) under Section 133 of the Companies Act, 2013. Details of significant accounting policies are included in the notes to the consolidated financial statements.

### Revenue

| (In Crores) | 2023-24 | 2022-23 | % Change |
|---|---|---|---|
| Operating Revenue | 11,575.12 | 13,340.72 | (13.23) |
| Other Income | 68.84 | 91.07 | (24.41) |
| Total Revenue | 11,643.95 | 13,431.79 | (13.31) |

### Revenue From Manufactured Products and Traded Products

| (In Crores) | 2023-24 | 2022-23 | % Change |
|---|---|---|---|
| Manufactured Products | 10,316.68 | 12,642.72 | (18.40) |
| Traded Products | 1,258.44 | 698.00 | 80.29 |
| Operating Revenue | 11,575.12 | 13,340.72 | (13.23) |

### Cost of Materials

| (In Crores) | 2023-24 | 2022-23 | % Change |
|---|---|---|---|
| Cost of Material Consumed | 7,609.04 | 10,439.70 | (27.11) |
| Purchase of Stock in Trade | 1,055.09 | 182.26 | 478.89 |
| Changes in Inventories | 334.32 | (8.78) | (3,907.74) |
| Total Materials | 8,998.45 | 10,613.18 | (15.21) |
| Operating Revenue | 11,575.12 | 13,340.72 | (13.23) |
| Cost of Materials/ Operating Revenue | 77.74% | 79.55% | |

### Employee Benefits

| (In Crores) | 2023-24 | 2022-23 | % Change |
|---|---|---|---|
| Employee Benefits | 229.79 | 213.20 | 7.78 |
| % of Total Revenue | 1.99% | 1.59% | |

### Finance Costs

| (In Crores) | 2023-24 | 2022-23 | % Change |
|---|---|---|---|
| Finance Costs | 366.03 | 291.24 | 25.68 |
| % of Revenue | 3.16% | 2.17% | |

### Depreciation and Amortisation

| (In Crores) | 2023-24 | 2022-23 | % Change |
|---|---|---|---|
| Depreciation and Amortisation | 210.67 | 175.15 | 20.28 |
| % of Revenue | 1.82% | 1.30% | |

### Other Expenses

| (In Crores) | 2023-24 | 2022-23 | % Change |
|---|---|---|---|
| Other Expenses | 1,698.86 | 1,713.35 | (0.85) |
| % of Revenue | 14.68% | 12.76% | |

### Income Tax

| (In Crores) | 2023-24 | 2022-23 | % Change |
|---|---|---|---|
| Income Tax | 40.93 | 121.98 | (66.45) |
| Profit Before Tax | 140.17 | 425.66 | (67.07) |
| Tax as % of Profit Before Tax | 29.20% | 28.66 % | |

### Key Financial Ratios

| Ratio | Numerator | Denominator | Current Year | Previous Year | % Change |
|---|---|---|---|---|---|
| Current Ratio (in Times) | Total Current Assets | Total Current Liabilities | 1.10 | 1.10 | 0 |
| Debt-Equity Ratio (in Times) | Total Borrowings | Total Equity | 1.12 | 1.32 | (15.15) |
| Debt Service Coverage Ratio (in Times) | Earning for Debt Service = Profit for the Year + Interest Expenses + Depreciation and Amortisation Expenses + Other Non-Cash Adjustments | Debt Service = Interest + Principal Repayments | 0.93 | 1.24 | (25) |
| Return on Equity Ratio (In %) | Profit for the Year | Average Total Equity | 2.81% | 10.60% | (73.49) |
| Inventory Turnover Ratio (in Times) | Revenue from Operations | Average Inventory | 5.68 | 5.89 | (3.57) |
| Trade Receivables Turnover Ratio (In Times) | Revenue from Operations | Average Trade Receivables | 3.54 | 5.68 | (37.68) |



Management Discussion and Analysis (Contd.)

| Ratio | Numerator | Denominator | Current Year | Previous Year | % Change |
|---|---|---|---|---|---|
| Trade Payables Turnover Ratio (In Times) | Purchase of Raw Materials and Traded Goods | Average Trade Payables | 5.06 | 5.16 | (1.94) |
| Net Capital Turnover Ratio (In Times) | Revenue from Operations | Average Working Capital (i.e. Total Current Assets Less Total Current Liabilities) | 20.02 | 37.88 | (47.15) |
| Net Profit Ratio (In %) | Profit for the Year | Revenue from Operations | 0.86% | 2.28% | (62.28) |
| Return on Capital Employed (In %) | Profit Before Tax and Finance Costs | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities | 6.57% | 8.70% | (24.48) |

### Opportunities

Increasing awareness of environmental issues, such as soil degradation, water pollution, and biodiversity loss, is driving a shift towards sustainable agriculture. Stakeholders are prioritising practices that minimise environmental impacts.

The Indian fertilizer industry is also adopting Nano-fertilizers as a sustainable solution to boost productivity while reducing environmental harm. PPL has responded to this trend by launching the 'Jai Kisaan Navratna Nano Shakti' brand, catering to the growing demand for eco-friendly fertilizers.

Advancements in agricultural technology and precision farming further enhance fertilizer application efficiency. Additionally, government subsidies and incentives support the adoption of modern agricultural practices, presenting further growth opportunities for the industry.

### Threats

The ongoing macro-conflicts, rising input and energy costs and reliance on regulatory policies could be potential threats to the sector.

Key threats include:

**Dependency on Imports and Limited Domestic Production**

India imported around 26% of finished fertilizers (DAP, NPK, Urea) in 2023-24, making it vulnerable to global supply chain disruptions and price fluctuations. As the third-largest food producer, any fertilizer supply issues can significantly affect food security.

Indian manufacturers face production constraints due to limited access to raw materials, high costs, and regulatory challenges.

**Global Energy and Raw Material Prices**

The conflicts in Ukraine, Middle East and global energy price increases have driven up the costs of raw materials such as natural gas, sulphur, and ammonia. This raises manufacturing costs for fertilizers, squeezing profit margins.

**Reliance on Subsidies**

Dependence on government subsidies for fertilizer affordability affects working capital and operational efficiency. Delays or changes in subsidy policies can disrupt cash flow and financial stability for manufacturers.

### Risk and Mitigations

PPL has implemented a comprehensive risk management plan designed to safeguard workers, the public, and the environment. This plan identifies potential hazards and outlines strategies to mitigate risks and ensure responsible product use. The following sections detail these risks and the corresponding mitigation strategies.

| Risk | Risk Description | Risk Causes | Risk Mitigation |
|---|---|---|---|
| **Government's Policy and Subsidy Pay-Outs** | Impact on the profitability of manufactured and traded complex fertilizers. Frequent changes in government fertilizer policy affecting sales and subsidy realisation. | • Retrogressive changes in policy.<br>• Limitation to sell P&K fertilizers at higher MRP despite global price volatility.<br>• Subsidy determined at the beginning of the season, leaving price volatility during the season unaddressed.<br>• Subsidy payment linked to dealers'/ farmers' acknowledgment in iFMS and POS. | • Conduct gap analysis between current MRPs and reasonable MRP.<br>• Optimise product mix.<br>• Maintain constant discussion with the Government of India at the industry level.<br>• The finance team compiles subsidy outstanding details weekly for follow-up with the Department of Fertilizers (DOF) to minimise outstanding subsidy.<br>• Following submission of claims, the Subsidy Cell in Delhi conducts follow-up with the Ministry to seek early settlement. |
| **Global Uncertainties** | Global uncertainties regarding the availability of key raw materials for production. Volatility in prices impacting pricing and profitability. | • Raw materials are available in a limited number of geographies worldwide:<br>o Phosphoric Acid – Morocco<br>o Rock Phosphate – Morocco<br>o Ammonia – Middle East, SEA<br>o MOP – Middle East, Canada<br>• Price volatility due to macroeconomic factors and global supply chain constraints from geopolitical conflicts (e.g., Ukraine-Russia war, Palestine-Israel conflict). | • Establish long-term supply linkages for all key raw materials:<br>o Rock Phosphate / P2O5<br>o Ammonia<br>o MOP<br>o Sulphur<br>o H2SO4<br>• Optimise product mix across sites to focus on products with higher contribution.<br>• Engage regularly with suppliers at operational and strategic levels to ensure competitive pricing and sustainable availability. |
| **ESG Risks** | Adverse effects on climate and the environment, and stoppages of production due to non-compliance with environmental laws. Legal, financial exposure, and reputational loss related to Environment, Health, and Safety issues. Human error in handling hazardous chemicals, particularly ammonia. Global push towards "Green Hydrogen" with uncertain commercial viability. | • Inability to control and reduce emissions and inappropriate monitoring of gas emissions.<br>• Failure to adopt and upgrade pollution control technologies.<br>• Non-compliance with applicable environmental laws and regulations. | • Strict adherence to all environmental laws.<br>• Installation and rigorous monitoring of all prescribed pollution control devices.<br>• Verification of tankers' hazardous chemical licences and fitness certificates before loading.<br>• Insurance policy for Public Liability to mitigate financial exposure. |



Management Discussion and Analysis (Contd.)

| Risk | Risk Description | Risk Causes | Risk Mitigation |
|---|---|---|---|
| **Currency Exchange Rate Volatility and Working Capital Strain Risk** | Volatility in USD-INR exchange rates leading to increased hedging costs. Blockage of working capital, causing strain on fund availability and increased interest costs. | Key raw materials are imported (~75% of production costs) and are vulnerable to exchange rate fluctuations and global inflation indices. | • Implementation of a Board-approved hedging policy to manage exchange rate fluctuations, with periodic reviews for necessary updates.<br>• Formation of a task force for the prioritised collection of overdue receivables, with categorisation of dealers based on supply and overdue status. |
| **Cybersecurity** | IT risks include hardware and software failures, human error, spam, viruses, and malicious attacks. The most significant and widespread threat facing businesses is phishing attacks. | • Endpoint security lapses.<br>• Delays in patch updates for server OS and firewall.<br>• Lack of SSL in communication ports and applications.<br>• Outdated firmware.<br>• Weak passwords for emails and online applications.<br>• Pop-up blocking not done.<br>• User awareness issues. | • Implement a robust cybersecurity strategy focusing on prevention, detection, and remediation.<br>• Regularly update antivirus software and firmware.<br>• Enable gateway-level security for emails.<br>• Establish a strong backup plan for servers and endpoint devices.<br>• Conduct regular user training and awareness programmes on cybersecurity.<br>• Perform yearly Vulnerability Assessment and Penetration Testing (VAPT). |
| **Talent Retention** | Impact on business processes due to the loss of business-critical leaders or key talent. | Non-readiness of second-in-line to take over in the event of exit of functional heads. | • Succession planning and manpower planning are conducted based on business requirements.<br>• Ensure readiness of successors through targeted interventions. |

## Human Resource

The Company continued to focus on employee core connect, engagement, learning, and development to build a workplace that is safe, engaging, and productive. The Company is undertaking digitalisation of all talent management processes for regular communication. All the employees of the Company were presented with various learning opportunities to enhance career growth. Learning and development teams ensured the training of employees, wellness sessions that dealt with topics related to safety and health helped create awareness among employees and their families about key areas related to their well-being. Throughout the year, employees remained connected through planned events.

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

**Diversity Drive:** The Company is dedicated to fostering an inclusive culture, empowering individuals, and enhancing competitiveness.

**Nurturing Human Capital:** Nurturing and empowering talent to take on new leadership roles is one of the most important ways to grow our human capital. In this journey of growth and ambition, the Company will continue to reward and recognise the employees and encourage them to achieve bigger and higher goals.

**Performance Excellence:** Performance Management System enables individuals and teams to set stretched goals and review performance in relation to these goals. The process empowers every level of the organisation to own their performance and improve it on continuous basis.

**Employee Well-being:**

The Company's focus is on cultivating a holistic employee experience that prioritises growth, engagement, and well-being. The Company is committed to raising awareness among employees and their families on topics of health and safety. Active communication, employee surveys, and feedback mechanisms enable the Company to foster a culture of transparency. The Company proactively identifies areas for improvement and designs well-being initiatives to meet the unique needs of employees. Beyond mandates, the Company offers comprehensive benefits, safeguarding employees' health and happiness. Various clubs at the Plant, including PPERC, PPOC, and others, enhance engagement through indoor games, swimming, and movies, fostering team-building.

**Safety Culture:**

Vigilant safety committees, regular training (with an average of 45 hours training per employee for the year 2023-24), and a safety-focused culture prioritise team well-being.

**Talent Development:**

The Company successfully completed the 3rd Season of the training initiative - NAYI DISHA 3.0 - Aspire, Innovate & Collaborate. The 3rd Season was held in the picturesque locales of Goa and Chail.

NAYI DISHA 3.0 is not just another training program; it was an immersive journey designed to empower team members with essential skills and insights to navigate the ever-evolving professional landscape. With a comprehensive agenda focusing on key areas of behavioural and functional domains, the program equips the front-line workforce with the tools needed to excel in their roles and beyond.

NAYI DISHA 3.0 wasn't just about imparting knowledge; it was about igniting passion, fostering growth mindsets, and cultivating a culture of excellence within PPL. The Company believes that investing in the team's development is key to unlocking their full potential and driving collective success. Aligning team efforts with the overarching goals and vision of the organization and a deep dive into mindfulness and effective communication techniques help foster a positive work environment. The program guides team members on the path to becoming impactful leaders within their respective domains and empowers individuals to chart their career paths and seize opportunities for growth.

As of 31st March 2024, the Company has 2,398 permanent employees and workers contributing to its sustained growth and success.

### Internal Control

PPL has a robust internal control system crucial to its success. This system ensures effective oversight of operations, safeguards assets, and maintains regulatory compliance. The annual internal audit process reviews key business areas with inputs from internal auditors, the Audit Committee, and the Board, who collectively work to enhance internal controls.

### Cautionary Statement

Certain statements in the MDA section regarding future prospects may be forward-looking and involve risks and uncertainties that could lead to actual results differing materially. These statements are based on current assumptions and available information, which may change over time. As such, they reflect only the Company's intentions, beliefs, or expectations as of their date and are subject to change. The Company assumes no obligation to update these forward-looking statements in light of new information or future events.

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | | |
|---|---|---|---|
| 1. | **Corporate Identity Number (CIN) of Listed Entity** | : | L24129OR1981PLC001020 |
| 2. | **Name of the Listed Entity** | : | PARADEEP PHOSPHATES LIMITED |
| 3. | **Year of Incorporation** | : | 1981 |
| 4. | **Registered office address** | : | 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar – 751001 |
| 5. | **Corporate Address** | : | 3rd Floor, No. 28, Union Street, Off-Cubbon Road, Bangalore – 560001 |
| 6. | **E-mail** | : | cs.ppl@adventz.com |
| 7. | **Telephone** | : | 080-46812536 |
| 8. | **Website** | : | www.paradeepphosphates.com |
| 9. | **Financial year for which reporting is being done** | : | 1st April 2023 to 31st March 2024 |
| 10. | **Name of the Stock Exchange(s) where shares are listed** | : | (i) BSE Limited<br>(ii) National Stock Exchange of India Limited |
| 11. | **Paid-up Share Capital** | : | 8,147,786,460 |
| 12. | **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR** | : | Mr. Susnato Lahiri<br>Telephone : 080 46812500<br>Email : susnato.lahiri@adventz.com |
| 13. | **Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)** | : | On standalone basis |

### II. Products/services

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

| S.N. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Manufacturing | Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products | 100% |

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

| S.N. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1. | Manufacture of urea and complex fertilizers | 20121, 20122 | 100% |

### III. Operations

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

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 2 | 22 | 24 |
| International | NA | NA | NA |

**17. Market served by the entity:**

**a. Number of locations**

| Location | Number |
|---|---|
| National (No. of States) | 15 |
| International (No. of Countries) | 2 |

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

0.06%

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

The Company serves a broad spectrum of customers, including agricultural retailers, distributors, farmers, cooperatives, government agencies and research institutions. With farmers as our core customers, we are dedicated to aligning our products with their specific needs and addressing the unique challenges they face. This commitment has helped us develop products that have positively impacted over 09 Million farmers' livelihoods.

**IV. Employees:**

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

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

| S. No. | Particulars | Total (A) | Male No. (B) | Male % (B/A) | Female No. (B) | Female % (B/A) |
|---|---|---|---|---|---|---|
| | | | **EMPLOYEES** | | | |
| 1. | Permanent (D) | 1,467 | 1,401 | 96% | 66 | 4% |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | **Total Employees (D+E)** | 1,467 | 1,401 | 96% | 66 | 4% |
| | | | **WORKERS** | | | |
| 1. | Permanent (F) | 931 | 913 | 98% | 18 | 2% |
| 2. | Other than Permanent (G) | - | - | - | - | - |
| 3. | **Total Employees (F+G)** | 931 | 913 | 98% | 18 | 2% |

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

| S. No. | Particulars | Total (A) | Male No. (B) | Male % (B/A) | Female No. (B) | Female % (B/A) |
|---|---|---|---|---|---|---|
| | | | **DIFFERENTLY ABLED EMPLOYEES** | | | |
| 1. | Permanent (D) | 0 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | **Total differently abled employees (D+E)** | 0 | 0 | 0 | 0 | 0 |
| | | | **DIFFERENTLY ABLED WORKERS** | | | |
| 1. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 3. | **Total differently abled workers (F+G)** | 0 | 0 | 0 | 0 | 0 |

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

| | Total (A) | No. and percentage of Females No. (B) | % (B/A) |
|---|---|---|---|
| Board of Directors | 8 | 1 | 12.50% |
| Key Management Personnel (including Directors) | 3 | 0 | 0% |

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

| | 2023-24 | | | 2022-23 | | | 2021-22 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 10% | 9.5% | 10.2% | 8% | 10% | 9% | 8% | 5% | 7% |
| Permanent Workers | 14.3% | 66.7% | 40.5% | 8% | 18% | 8% | 5% | 0 | 5% |



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

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

| S. No. | Name of the holding/ subsidiary / associate companies / Joint ventures (A) | Indicate whether holding / Subsidiary / Associate / Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity |
|---|---|---|---|---|
| 1. | Zuari Marco Phosphates Private Limited | Holding | 56.08% | No |
| 2. | Zuari Yoma Agri Solutions Limited | Joint Venture | 50% | No |

**VI. CSR Details**

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹ Million.): 115,751.2

(iii) Net worth (in ₹ Million): 35,648.1

**VII. Transparency and Disclosures Compliances**

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) | 2023-24 Number of complaints filed during the year | 2023-24 Number of complaints pending resolution at close of the year | 2023-24 Remarks | 2022-23 Number of complaints filed during the year | 2022-23 Number of complaints pending resolution at close of the year | 2022-23 Remarks |
|---|---|---|---|---|---|---|---|
| Communities | Yes | 0 | 0 | NA | 0 | 0 | NA |
| Investor (other than shareholders) | Yes | 0 | 0 | NA | 0 | 0 | NA |
| Shareholders | Yes | 2 | 0 | NA | 2 | 0 | NA |
| Employees and workers | Yes | 0 | 0 | NA | 0 | 0 | NA |
| Customers/ Consumers | Yes | 0 | 0 | NA | 0 | 0 | NA |
| Value Chain Partners | Yes | 0 | 0 | NA | 0 | 0 | NA |
| Others (please specify) | Yes | 0 | 0 | NA | 0 | 0 | NA |

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

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

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

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

| S. No. | Material issue identified | Indicate whether risk or opportunity | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Occupational health and safety (OHS) | **Risk** | Ensuring a safe and healthy workplace is crucial for employee welfare and productivity. Poor OHS measures can lead to accidents, illnesses, and a subsequent increase in labour costs due to lower productivity and higher medical expenses. Additionally, it can result in legal liabilities and regulatory fines. | Proactive measures are in place to implement an effective occupational health & safety programs at PPL.<br>Both the Company's plants (in Paradeep and Goa) are ISO 45001 certified, ensuring adherence to international standards for occupational health and safety. Robust safety procedures are in place, including detailed SOPs, regular health and safety training, and continuous monitoring. Initiatives like HIRA preparation, Hazop studies, process safety audit, including external safety audits & CICG inspection by Govt. of Odisha further strengthen safety measures. | **Negative**: Workplace incidents can harm the Company's reputation, leading to negative publicity and public perception issues. This can result in customer distrust, loss of business opportunities, and difficulties in attracting and retaining talent. Moreover, regulatory fines can add to financial burdens. |
| 2 | Chemical Safety | **Risk** | The production and handling of hazardous chemicals like phosphates and ammonia are integral to the Company's operations, but are inherently risky. Improper management of these substances can result in spills, leaks, and other accidents, posing severe risks to employee safety and the environment. Such incidents can attract regulatory scrutiny, environmental penalties, and disrupt our production processes. | Comprehensive SOPs and safety manuals detail safe handling procedures for chemicals. Regular training sessions, periodic safety audits, and the provision of adequate PPEs ensure a high level of preparedness among employees. These measures help them in identifying and mitigating hazardous conditions, ensuring compliance with safety standards. | **Negative**: Chemical safety incidents can severely damage the Company's reputation among the Company's stakeholders. Major accidents or environmental violations can disrupt operations, leading to production delays or shutdowns, thereby affecting financial performance. Cleanup costs and potential legal liabilities add further financial strain. |
| 3 | Business Ethics | **Opportunity** | Good governance and ethical conduct are fundamental to building stakeholder trust and sustaining long-term growth. Ethical practices help prevent legal issues, enhance corporate reputation, and ensure sustainable business operations. | The Company's Code of Business Conduct and Ethics underscores its firm stance against unethical practices, including bribery, gifts, insider trading, and harassment. The code also outlines clear escalation mechanisms for individuals to raise concerns or complaints, ensuring accountability and transparency.<br>To further cement its commitment to sustainability and responsible corporate governance, the Company has established an ESG Steering Committee. This committee plays a pivotal role in steering initiatives related to environmental stewardship, corporate social responsibility, and governance | **Positive**: Good corporate governance systems ensure the Company is managed in the interests of all shareholders. This can lead to increased investor confidence and better access to capital. Ethical conduct enhances customer loyalty and employee morale, contributing to overall business growth and financial stability. |
| 4. | Environmental management | **Risk** | The industry we operate in is highly scrutinised for its environmental impact. Commitment to environmental protection and resource conservation is essential for sustainable operations and regulatory compliance. Non-compliance can lead to legal penalties, cleanup costs, and reputational damage. | The Company's manufacturing plants are ISO 14001 certified, indicating adherence to international environmental management standards.<br>Regular third-party energy audits and continuous monitoring help identify areas for improvement. Compliance with state and central pollution control board requirements is ensured at all times. | **Negative**: Non-compliance with environmental norms can result in significant financial repercussions, including fines, legal fees, and increased operational costs due to mandated corrective actions. Reputational damage can lead to loss of customer trust and business opportunities, further impacting financial performance. |

| S. No. | Material issue identified | Indicate whether risk or opportunity | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 5. | Inclusion and Diversity | **Opportunity** | A diverse and inclusive workforce fosters creativity and innovation, essential for solving complex problems and maintaining a competitive edge. In the agricultural sector, where diverse needs and challenges are prevalent, inclusivity can drive better product development and customer satisfaction. | For strong governance, the Company has a Board Diversity policy in place. The Company's inclusive approach to talent attraction focuses on the right talent for the right role during recruitment, irrespective of the candidate's gender, religion, region. | **Positive**: A positive and inclusive work environment drives productivity and overall better performance, translating to improved financial outcomes. Additionally, a strong reputation for diversity and inclusion can attract top talent and enhance the Company's market position. |
| 6. | Responsible Supply Chain | **Risk** | An efficient and resilient supply chain is critical for the uninterrupted production and meeting customer demands. Disruptions can lead to production delays, increased costs, and potential loss of market share. | We ensure supply chain resilience through various initiatives such as shifting to Molten Sulphur supply from IOCL to reduce carbon footprints and establishing a vendor evaluation system with ESG criteria. Maintaining critical vendor partnerships and creating alternative domestic sources further secure our supply continuity. | **Negative**: A diversified supply chain builds resilience to disruptions such as natural disasters, geopolitical issues, or supplier problems. Having alternative suppliers or contingency plans ensures operational continuity, mitigating financial risks associated with supply chain disruptions. |
| 7. | Community Relations | Opportunity | Building and maintaining positive relationships with local communities is essential for fostering mutual trust and support. Being a responsible corporate citizen it helps to ensure that our operations are welcomed and supported, which is crucial for sustainable growth and development. | The Company's CSR policy guides our efforts in community relations and development, focusing on livelihoods, education, health (WaSH), and the environment. By engaging in meaningful community initiatives, we aim to build trust and contribute to the well-being of the communities we serve. | **Positive**: Strong community relations enhance our reputation and brand image, improving our standing among consumers, investors, and other stakeholders. This can lead to increased customer loyalty and better investor relations. |



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## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| | Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Policy and management processes** | | | | | | | | | |
| 1 | a Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | c. Web Link of the Policies, if available | Details of the Company's policies can be found on our website: https://www.paradeepphosphates.com/investors/corporategovernance | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Do the enlisted policies extend to your value chain partners? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. | Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | • Environment Management Systems (ISO 14001:2015)<br>• Occupational Health and Safety Management Systems (ISO 45001:2018)<br>• Energy Management System (ISO 50001-2018)<br>• Quality Management System (ISO 9001:2015)<br>• Good Manufacturing Practice (GMP) Compliant Facilities<br>• Protect and Sustain Certification (International Fertilizer Association (IFA)) | | | | | | | | |
| 5. | Specific commitments, goals, and targets set by the entity with defined timelines, if any. | We are focused on setting specific targets for key social and environmental parameters in each of the below sub-themes within September of 2024.<br>• Diversity and Inclusion<br>• Human Capital Development<br>• Community Relations<br>• Responsible Supply Chain | | | | | | | | |

| | | |
|---|---|---|
| | | • Corporate Governance/ Risk Management<br>• Cybersecurity / Digitisation<br>• GHG and Climate Change<br>• Air Emissions and Biodiversity<br>• Water Management<br>• Waste Management<br>• Product Stewardship<br>• Customer Relationship |
| 6. | Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met. | We are in the process of setting targets and will be reporting progress against them in the future. |

**Governance, leadership, and oversight**

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.

'PPL continues to play a key role in India's fertilizer industry, and we take our responsibility seriously. Our focus remains on innovative and affordable solutions for farmers as we aim to contribute significantly to India's agricultural growth, food security, and rural prosperity. This mission guides our continuous improvement in environmental, social, and economic performance.

We've made real progress in embedding sustainability across our organisation. Our multiple ISO certifications including ISO 9001, 14001, 50001, 45001, and product steward excellence certificate demonstrate our commitment to quality, environmental management, energy efficiency, safety, and information security. Over the past year, we've updated our policies, introduced new ESG initiatives, and improved our data management. Our annual sustainability and BRSR reports reflect these efforts transparently.

Building on our existing sustainability framework, we're now enhancing our supply chain resilience. We're implementing a comprehensive program to evaluate and build capacity among our key suppliers, aiming to create a more responsible and sustainable supply network. Beyond compliance, we're actively reducing our carbon footprint, improving employee wellbeing, and supporting local communities. Innovation and thoughtful decision-making are crucial as we work to create lasting positive impact.

As we move forward, we'll continue to focus on transparency, continuous improvement, and creating value for all our stakeholders. We believe this approach will contribute to a more sustainable and food-secure India'.

Mr. N Suresh Krishnan
Managing Director

| | | |
|---|---|---|
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies). | Mr. N Suresh Krishnan<br>Managing Director |



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| | | |
|---|---|---|
| 9. | Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes. The Company has established an ESG Steering Committee composed of senior management to oversee environmental, social, and governance matters across the organisation. This committee provides the Board of Directors with quarterly updates on ESG priorities and the progress achieved.<br>For detailed information on objectives, duties, and responsibilities, please visit:https://www.paradeepphosphates.com/uploads/content/ppl-esg-steering-committeecharter-09022023.pdf |

10. Details of Review of NGRBC by the Company:

| Subject for Review | Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually / Half yearly/ Quarterly / Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | The Company's policies are periodically reviewed by Department heads, Directors, Board committees, or Board members as needed. The Board also evaluates the BRSR annually. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | All units of the Company are in compliance with statutory requirements. | | | | | | | | | | | | | | | | | |

| | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 11. | Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | No, the Company's policies are not audited or evaluated by external agencies. These policies are reviewed by various committees of the Board of Directors, and the Board periodically reviews and amends them to incorporate statutory and business requirements. | | | | | | | | |

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

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

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

### Essential Indicators

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

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| *Board of Directors | 1 | The orientation programme was conducted for three directors. Out of which two directors were given a walk through of the Paradeep plant and information on various ESG and CSR activities that the Company is doing were informed to them. | 37.5% |
| Key Managerial Personnel | 1 | Company's overall business growth, performance in ESG and sustainability, corporate governance practices. | 74.13% |
| Employees other than Board of Directors and KMPs | 347 | 1. Governance, Ethics, and Transparency - 1 session<br>Focus: Ethical conduct, Whistleblower mechanisms<br>2. Product Responsibility and Value Chain : 223 sessions<br>Focus: Product lifecycle management (including disposal & recycling), waste management, R&D, sustainable sourcing, responsible marketing, and product safety.<br>3. Employee Well-being: 28 sessions<br>Focus: Health & safety, diversity, career development, workforce composition (including unions), and welfare measures.<br>4. Human Rights: 1 session<br>Focus: Commitments to human rights, fair labor practices, and prevention of abuses in operations and supply chain.<br>5. Environment - 63 session<br>Focus: Resource management, energy use, air & GHG emissions, waste management, water sources, and biodiversity.<br>6. Public Policy Advocacy - 1 session<br>Focus: Evangelise public policy, focus areas, and alignment with sustainable development goals<br>7. Customer Relations - 6 sessions<br>Focus: Customer satisfaction, data privacy, and responsible advertising<br>Impact: The training and awareness programs significantly enhanced employees' understanding of ethical practices, environmental stewardship, and product responsibility. This led to improved compliance, reduced environmental impact, and better alignment with the company's sustainability and governance goals. | 100% |
| Workers | 464 | 1. Employee Well-being: 353 sessions<br>Focus: Health & Safety, Workforce Composition.<br>2. Product Responsibility and Value Chain : 51 sessions<br>Focus: Product lifecycle management (including disposal & recycling), waste management, R&D, sustainable sourcing, responsible marketing, and product safety.<br>3. Environment: 55 sessions<br>Focus: Resource management, Waste disposal.<br>4. Customer Relation - 5 sessions<br>Focus: Customer satisfaction, data privacy, and responsible advertising.<br>Impact: The training sessions contributed to increased awareness of health and safety standards, responsible product management, and environmental care. This resulted in safer working conditions, more efficient resource use, and heightened responsibility in waste management practices. | 76.44% |

*The company is in the process of formalizing a training calendar for the Board of Directors, KMPs and employees at large.

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

| | Monetary | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (₹) | Brief of the Case | Has an appeal been |
| Penalty/ Fine | P1 | The Department of Legal Metrology, Medchal – Malkajgiri District, Telangana | 50,000 | Deficiency in the quantity contained in the two bags. (below the Maximum Permissible prescribed in the Legal Metrology Act, 2009). | No |
| Settlement, compounding fees | | Nil | | | |

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

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

| Case Details | Name of the regulatory / enforcement agencies / judicial institutions |
|---|---|
| Nil | |

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

Yes, the Company has an Anti-bribery and anti-corruption policy in place and it applies to everyone working with us, including management, staff at all levels, directors, employees (permanent, fixed-term, or temporary), consultants, contractors, casual workers, agency staff, agents, and anyone associated with us or our subsidiaries. This commitment is integral to our code of conduct as well and explicitly prohibits accepting, soliciting, agreeing to receive, promising, offering, or giving bribes or any other improper payments, direct or indirect, in all dealings with customers, suppliers, government officials, international agencies or any entity:

For more details, please visit, PPL's ABAC Policy:https://www.paradeepphosphates.com/uploads/content/anti-bribery-anti-corruption-abac-policy.pdf

Code of Business Conduct and Ethics: https://www.paradeepphosphates.com/uploads/content/code-of-business-conduct-and-ethics-coc.pdf

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

| | 2023-24 | 2022-23 |
|---|---|---|
| Directors | 0 | 0 |
| KMPs | 0 | 0 |
| Employees | 0 | 0 |
| Workers | 0 | 0 |

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

| | 2023-24 | | 2022-23 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | NA | Nil | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | NA | Nil | NA |

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

Not Applicable

**8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **Number of days of accounts payables** | 60.36 | 65.77 |

***Accounts payable excludes allowances for Rebates / Incentives expected to be settled in cash with customers**

**9. Open-ness of business**

**Provide details of concentration of purchases and sales with trading houses, dealers and related parties along with loans and advances & investments, with related parties in the following format:**

| Parameter | Metrics | 2023-24 | 2022-23 |
|---|---|---|---|
| **Concentration of Purchases*** | a. Purchases from trading houses as % of total purchases | 32.19% | 27.21% |
| | b. Number of trading houses where purchases are made from | 14 | 13 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | 97.44% | 96.93% |
| **Concentration of Sales*** | a. Sales to dealers / distributors as % of total sales | 100% | 100% |
| | b. Number of dealers / distributors to whom sales are made | 5,648 | 5,124 |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | 5.4% | 6.1% |
| **Share of RPTs in** | a. Purchases (Purchases with related parties / Total Purchases) | 45% | 44% |
| | b. Sales (Sales to related parties / Total Sales) | 6% | 7% |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | Nil | Nil |
| | d. Investments (Investments in related parties / Total Investments made) | Nil | Nil |

### Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

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

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

Yes, the Company has a Code of Business Conduct and Ethics that addresses conflicts of interest, applicable to all employees, including the Board of Directors. To manage conflicts of interest, Directors must avoid conflicts between personal and company interests, disclose any conflicts, and exclude themselves from related decisions. They need Board approval to work for competitors but can serve on other group company boards without prior approval. Gifts or entertainment over five thousand Rupees are prohibited if they create potential conflicts. Directors must use company assets according to policy, and disclosures under Section 184 of the Companies Act, 2013, are deemed sufficient. If a potential conflict arises, individuals must disclose all relevant information and seek guidance from their immediate superior and/or the Chairman of the Audit Committee. The Company will then take necessary actions to resolve the conflict.

Please refer to the Code for more details: https://www.paradeepphosphates.com/uploads/content/code-of-business-conduct-and-ethics-coc.pdf

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

### Essential Indicators

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

| | 2023-24 | 2022-23 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| Research & Development (R&D) | 100% | 100% | 1. Conducted a study on manufacturing of Phospho Gypsum based customised Fertilizer in order to prepare a product which is basic in nature to make it suitable for acidic soil. |

| | 2023-24 | 2022-23 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| Capex | 10% | 25% | 2. A project was initiated wherein phosphogypsum waste from fertilizer industries was combined with dried biomass and pyrolyzed to produce a value-added biofertilizer enriched with potassium and carbon. This process not only neutralised the waste but also generated additional valuable products like pyroligneous liquid and syngases, enhancing the sustainability of the fertilizer industry<br>3. We are focussed on focused on waste heat recovery systems to meet our primary energy needs instead of completely relying on fossil fuels. This has significantly prevented potential direct GHG emissions and reduced our operating costs.<br>4. During 2023-24, in our operations we have replaced 26 numbers of old LT motors with new Energy efficient motors. |

2. a. **Does the entity have procedures in place for sustainable sourcing?**

Yes, we have established robust procedures for sustainable sourcing through a comprehensive supplier assessment framework. Currently, implementation is underway. This framework evaluates our suppliers based on Environmental, Social, and Governance (ESG) criteria, aiming to minimise risks and enhance transparency in the supply chain. The process involves screening suppliers, requiring adherence to PPL's supplier code of conduct, and conducting risk assessments using ESG questionnaires. The framework, which undergoes regular senior management review, allows for informed decision-making on supplier engagement and promotes sustainable practices throughout our supply chain. Additionally, we will conduct awareness sessions to guide the suppliers in improving their ESG performance, ultimately fostering a stronger commitment to sustainability principles.

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

NA

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

a) Plastics (Including packaging) –

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

b) E-Waste –

PPL manages all e-waste in compliance with the E-Waste Management Rules, 2016. A dedicated shed is maintained for the storage of e-waste to ensure proper handling. All e-waste generated is sold exclusively to dismantlers or recyclers authorised by the Goa State Pollution Control Board. Records are meticulously maintained in accordance with the E-Waste Management Rules, 2016, and annual returns in Form 3 are submitted to the Goa State Pollution Control Board each year.

c) Acid Batteries –

The Company has a buyback policy with vendors for used lead-acid batteries.



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d) Hazardous waste –

Hazardous waste generated from various plant areas is collected in closed MS drums or barrels and stored in designated areas within the hazardous waste shed. Labels, as per Form 8 of the Hazardous Waste Management Rule 2016, are affixed to the drums or containers for disposal. Chemical sludge from the effluent treatment plant is dried in sludge drying beds and then fully recycled into the NPK-A and NPK-B plants. The management of hazardous waste adheres to a Standard Operating Procedure.

e) Other waste such as metal scrap, waste activated carbon, rubber scrap etc.-

Solid waste is segregated into separate bins. Bio-degradable waste is collected in green bins, non-bio-degradable waste in blue bins, and oil-containing waste in gray bins.

- Bio-degradable waste from canteens, offices, and households in the township is sent to a vermicomposting unit at PPL premises, producing organic manure (bio-fertilizer).
- Non-bio-degradable waste generated at PPL is sent to Goa Waste Management Corporation Limited for co-processing, recycling, or disposal.
- Construction debris is used for backfilling material in structures, building foundations, and road making.
- Sand from filters is similarly used for backfilling and road construction projects.

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

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

- We strictly adhere to all relevant environmental regulations and guidelines for handling and disposing of plastics and packaging. Paradeep Phosphates Limited is registered with the Central Pollution Control Board (CPCB) as a Brand Owner EPR for the disposal of plastic waste generated by PPL's products.
- We are committed to reducing end-user plastic waste and setting an example for other companies. PPL collaborates closely with GEM Enviro Management Private Limited, a Waste Management Agency specialising in the collection and aggregation of various packaging waste types across India, using technology to streamline the process.
- This collaboration with GEM helps PPL fulfil its EPR compliance requirements as stipulated under the Plastic Waste Management Rules, 2016, and its amendments in 2018. It also demonstrates our leadership in managing post-consumer plastic waste.

## Leadership Indicators

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

No, life cycle assessment was not conducted for any of our products during the reporting period.

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

Not applicable, since life cycle assessment was not conducted during the reporting period.

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

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | 2023-24 | 2022-23 |
| Phosphogypsum for Zypmite production | 1.36% | 1.01% |

4. **Of the products and packaging reclaimed at end of life of products, amount ([n Metric Tons (MT)] reused, recycled, and safely disposed, as per the following format:**

   Not applicable

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

   Not Applicable

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

**Essential Indicators**

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

| % of employees covered by | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Category** | **Total (A)** | **Health Insurance** | | **Accident Insurance** | | **Maternity benefits** | | **Paternity benefits** | | **Day Care facilities** | |
| | | **Number (B)** | **% (B/A)** | **Number (C)** | **% (C/A)** | **Number (D)** | **% (D/A)** | **Number (E)** | **% (E/A)** | **Number (F)** | **% (F/A)** |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1401 | 1401 | 100% | 1401 | 100% | 0 | 0% | 1062 | 76% | 0 | 0% |
| Female | 66 | 66 | 100% | 66 | 100% | 56 | 85% | 0 | 0% | 0 | 0% |
| **Total** | 1467 | 1467 | 100% | 1467 | 100% | 56 | 4 % | 1062 | 72% | 0 | 0% |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Total** | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |

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

| % of workers covered by | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Category** | **Total (A)** | **Health Insurance** | | **Accident Insurance** | | **Maternity benefits** | | **Paternity benefits** | | **Day Care facilities** | |
| | | **Number (B)** | **% (B/A)** | **Number (C)** | **% (C/A)** | **Number (D)** | **% (D/A)** | **Number (E)** | **% (E/A)** | **Number (F)** | **% (F/A)** |
| **Permanent workers** | | | | | | | | | | | |
| Male | 913 | 913 | 100% | 913 | 100% | 0 | 0% | 350 | 38% | 0 | 0% |
| Female | 18 | 18 | 100% | 18 | 100% | 8 | 44% | 0 | 0 | 0 | 0% |
| **Total** | 931 | 931 | 100% | 931 | 100% | 8 | 1% | 350 | 38% | 0 | 0% |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Total** | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.**

| **Particulars** | **2023-24** | **2022-23** |
|---|---|---|
| **Cost incurred on wellbeing measures as a % of total revenue of the Company** | 0.03% | 0.02% |





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2. **Details of retirement benefits:**

| **Benefits** | **2023-24** | | | **2022-23** | | |
|---|---|---|---|---|---|---|
| | **No. of employees covered as a % of total employees** | **No. of workers covered as a % of total workers** | **Deducted and deposited with the authority (Y/N/N.A.)** | **No. of employees covered as a % of total employees** | **No. of workers covered as a % of total workers** | **Deducted and deposited with the authority (Y/N/N.A.)** |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| ESI | 5% | 24% | Y | 7% | Nil | Y |
| Others-please specify | 100% | 100% | Y | 100% | 100% | Y |

3. **Accessibility of workplaces**

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

   Yes

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

   Yes, we are an equal opportunity employer. When recruiting, developing, and promoting our employees, our decisions are based solely on performance, merit, competence, and potential. We have fair, transparent, and clear employee policies that promote diversity and equality, in accordance with applicable laws and the provisions of the Company's Code of Conduct. This can be accessed at: https://www.paradeepphosphates.com/uploads/content/codeofbusinessconductandethicsnew1677899628.pdf .

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

| **Gender** | **Permanent employees** | | **Permanent workers** | |
|---|---|---|---|---|
| | **Return to work rate** | **Retention rate** | **Return to work rate** | **Retention rate** |
| Male | 100% | 100% | 80% | 100% |
| Female | 100% | 100% | 65% | 100% |
| **Total** | 100% | 100% | 72% | 100% |

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

| | **Yes/No (If Yes, then give details of the mechanism in brief)** |
|---|---|
| Permanent Workers<br>Other than Permanent Workers<br>Permanent Employees<br>Other than Permanent Employees | Yes, the Company has a robust grievance redressal mechanism to address employee concerns and foster open communication. This system uses a three-tier escalation process to ensure timely resolution, allowing employees to address issues through various channels, thereby promoting transparency and accountability. Contractual workers have access to a Grievance Redressal Mechanism forum, where they can directly approach their immediate Head, Supervisor, or Manager for resolution. Additionally, the Company's Whistle Blower Policy provides a platform for Directors and Employees to report concerns related to unethical behaviour, fraud, or violations of the Code of Conduct and Ethics. |

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

| Category | 2023-24 | | | 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total employees/ workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees/ workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (C/D) |
| **Total Permanent Employees** | | | | | | |
| Male | 1,401 | 367 | 26% | 1,412 | 404 | 28% |
| Female | 66 | 20 | 30% | 64 | 19 | 29% |
| **Total Permanent Workers** | | | | | | |
| Male | 913 | 913 | 100% | 992 | 992 | 100% |
| Female | 18 | 18 | 100% | 18 | 18 | 100% |

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

| Category | 2023-24 | | | | | 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | %(B/A) | No. (C) | %(C/A) | | No. (E) | %(E/D) | No. (F) | %(F/D) |
| **Employees** | | | | | | | | | | |
| Male | 1,401 | 954 | 68.09% | 1,093 | 78.02% | 1,412 | 802 | 56% | 1,018 | 72% |
| Female | 66 | 42 | 63.64% | 34 | 51.52% | 64 | 25 | 39% | 9 | 15% |
| **Total** | 1,467 | 996 | 67.89% | 1,127 | 76.82% | 1,476 | 827 | 56% | 1,027 | 70% |
| **Workers** | | | | | | | | | | |
| Male | 913 | 913 | 100% | 0 | 0% | 992 | 992 | 100% | - | - |
| Female | 18 | 18 | 100% | 0 | 0% | 18 | 18 | - | - | - |
| **Total** | 931 | 931 | 100% | 0 | 0% | 1,010 | 1,010 | 100% | - | - |

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

| Category | 2023-24 (Current Financial Year) | | | 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 1401 | 1034 | 73.80% | 1,412 | 1,412 | 100% |
| Female | 66 | 46 | 69.70% | 64 | 64 | 100% |
| **Total** | 1467 | 1080 | 73.62% | 1,476 | 1,476 | 100% |
| **Workers** | | | | | | |
| Male | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA |
| **Total** | NA | NA | NA | NA | NA | NA |

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

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

Yes. Our approach to workforce health and safety focuses on proactive risk identification and embedding a safety-oriented culture. Both of our manufacturing units, Paradeep in Odisha and Zuarinagar in Goa, are certified under ISO 45001:2018, an internationally recognised occupational health and safety management framework. This certification covers 100% of our entity, including both regular employees and our contractors.



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

We employ a comprehensive approach to identify work-related hazards and assess risks on both a routine and non-routine basis. This strategy involves active participation from senior executives, zonal safety members, and contract workers. We utilise Hazard Identification and Risk Assessment (HIRA) as a foundational step in our safety management process.

- Routine safety measures include conducting thorough Why-Why analysis and process safety audits, often involving external agencies for unbiased observations. The Company also undergoes inspections by the Government of Odisha's CICG (Chief Inspectorate of Factories) to ensure adherence to safety standards.
- Hazard and Operability (HAZOP) studies and Quantitative Risk Assessments (QRA) provide deeper insights into potential risks, guiding the creation of Standard Operating Procedures (SOPs), Operational Control Procedures (OCP), and Safety Management Plans (SMP).
- For non-routine activities involving higher risk levels, we conduct job safety analysis (JSA) to thoroughly assess and mitigate potential hazards. We have a Safety Mobile App for instant recording and sharing of unsafe observations.
- Safety touch initiatives and safety hot spots are implemented to identify unsafe conditions and vulnerable areas on the shop floor.
- Dedicated safety officers carry out daily inspections to ensure continuous monitoring of safety protocols.
- The Company sets Accident Prevention Plans with safety targets, actively overseen by Heads of Departments (HOD) and Heads of Sections (HOS).
- Regular surveys are conducted to understand employees' safety concerns.
- A cross-functional team performs monthly inspections of the plant and contractors' sheds to inspect tools and equipment.
- Additionally, a Task Force Committee focuses on workplace safety, guiding personnel to adhere to SOPs and enforce safe practices during shutdown procedures.
- Employee participation in safety improvements is encouraged through strategically placed suggestion boxes.
- Quantitative risk assessment was conducted by M/s. Det Norske Veritas (DNV)-Hyderabad.

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

Yes. The Company has established a centralised committee system for workers to raise concerns about work-related hazards. This includes the Central Safety Committee (Apex Safety Committee) and Zonal Safety Committees (Sub-Safety Committees), which are crucial for fostering a culture of safety and accountability. Regular monthly safety meetings conducted by contractors provide a platform for addressing workers' concerns directly. Safety suggestion boxes placed at the gates and canteen offer an anonymous feedback mechanism, ensuring that every voice can be heard without fear of reprisal.

Additionally, mass safety responsiveness sessions (Safety Mann Ki Baat) are organised every third Thursday of the month, reinforcing the importance of safety in daily operations. Concerns can also be raised during safety theme meetings and morning safety pep talks, providing multiple avenues for workers to engage in the safety dialogue. These measures are not just procedural but are integral to creating a proactive safety culture at PPL.

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

Yes

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

| Safety Incident/ Number | Category | 2023-24 | 2022-23 |
|---|---|---|---|
| Lost time Injury Frequency Rate (LTIFR) (per one million-person injuries) | Employees | 0.57 | 0 |
| | Workers | 0.07 | 0.13 |
| Total recordable work-related injuries (LTA) | Employees | 19 | 0 |
| | Workers | 1 | 1 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 1 | 3 |
| High consequences work-related injury or ill-health (excluding fatalities) | Employees | 0 | 1 |
| | Workers | 0 | 3 |

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

**Leadership & Responsibility**

1. Sectional heads are responsible for ensuring the safety and health of workers under their control. The unit head is committed to the safety and health of factory workers and the general public in the vicinity.
2. Safety Officers coordinate between sectional heads and the unit head, acting as catalysts for safety-related matters.
3. Every HOS/HOD sets an accident prevention plan, including reporting near misses, first aid cases, and identifying unsafe actions/ conditions.

**Awareness**

4. An annual safety training calendar is formulated, with monthly status reports sent to the safety department.
5. A daily safety briefing is held at the entry gate for contractors and safety staff.
6. Periodic safety awareness sessions, known as 'Gyaan Sabha,' are organised for all employees. On-the-job safety training and mobile safety training at work spot are also ensured.
7. Supervisors conduct regular safety-related training sessions, including monthly safety meetings with business partners.
8. Audio visual safety induction is provided in Odia, Hindi and English languages for new entrants.
9. Monthly recognition is given to an individual for their contributions to the Safety Committee (CSC) to acknowledge efforts in promoting and enhancing safety.
10. Safety Buddies program: The Company has implemented a comprehensive Safety Buddies program, adopting and mentoring 7 smaller industries to improve their safety standards through knowledge sharing, training, and resource support.

**Systems & Signage**

11. The Energy Management System (ISO 50001) and 5S certification, focusing on Sort, Straighten, Shine, Standardise, and Sustain, have been implemented to ensure high-quality housekeeping and a safe physical environment at the workplace. An advanced fire detection system, featuring optical smoke detectors, response indicators, hooters with flashers, and a repeater panel, has been installed at the Navratna Building and emergency control room.
12. New road safety signs, such as cat eyes, median markers, delineators, spring posts, thermoplastic paint, and tree reflectors, have been placed inside the plant.
13. A water pond has been constructed at the SAP plant for emergency acid splash situations.
14. Well-maintained workplace model AAINAA (Advance Action in Industries to Abate Accidents) implemented in 9 locations for a better work environment.
15. STK, GPS, satellite phones, communication earmuffs, and LED displays have been installed near the entry gate to enhance safety awareness. Use of technology like GPS in hazardous tankers and thermal imaging cameras to inspect electrical gadgets.
16. Safety rules are prominently displayed throughout the facilities.
17. New heavy vehicle drivers are required to sign a road safety declaration upon entry. First Aid & Safety Equipment.
18. High priority is given to health and hygiene monitoring at the workplace.



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19. Periodic medical checkups are held for employees' health assessment and occupational disease monitoring.
20. Well-equipped hospital on campus provides round-the-clock health services to employees and their families.
21. Diphoterine solution is available in all sections for immediate treatment in case of chemical splashes to the eyes or body.
22. Burn-free first aid kits and blankets have been distributed to all sections.
23. Cooling vests are provided to support workers in high-temperature, high-humidity areas, and confined spaces.
24. Personal Protective Equipment (PPE) is provided to workers to ensure their safety and protection within the plant.

**Response Teams & Training**

25. Employees, contractors, and security personnel receive training on emergency preparedness.
26. A recently formed committee conducts monthly inspections of lifting tools and tackles.
27. A cross-functional team assesses the condition of lifting tools, tackles, slings, and wire ropes within the plant.
28. Each section head prepares an accident prevention plan and submits it to the Ministry of Labour, Government of Odisha.
29. Government 10-points action plan is implemented, including Annual Safety Calendar, Safety Touch, Safety Hot Spots, and Use of Technology.
30. Various safety exhibitions and promotional activities are organised, such as Road Safety Week, National Safety Week, Odisha Disaster Preparedness Day, and National Electrical Safety Week.

**Assessments**

31. Audit was performed by Dupont certified executive from M/s. OCP-Morocco.
32. Hygiene & Ergonomics survey was performed by M/s. Arvind Consultancy, Raipur.
33. Audit (Internal, External, CICG), Ventilation & Illumination Survey were also conducted during the year.
34. We also conducted a Process Safety Management gap assessment.

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

| | 2023-24 | | | 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | 0 | 0 | 0 | 0 |
| Health & Safety | 0 | 0 | 0 | 0 | 0 | 0 |

**14. Assessments for the year:**

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

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

Not Applicable

### Leadership Indicators

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

   Yes

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

   The Internal auditor conducts regular audits and a yearly audit is performed by the Statutory Auditors of the Company.

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

| Category | Total no. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Employees | 01 | 01 | 00 | 00 |
| Workers | 01 | 03 | 01 | 02 |

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

   Yes

5. **Details of assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and Safety Practices | Nil |
| Working Conditions | Nil |

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

   Not Applicable

### PRINCIPLE 4 - Business should respect the interest of and be responsive to all its stakeholders

### Essential Indicators

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

   Our process for identifying key stakeholders involves recognising those who play a critical role in our business success and value creation. We prioritise stakeholders such as employees, customers, suppliers, investors, shareholders, regulators, and community members.

   We engage in regular and meaningful dialogues with these groups to foster collaboration and gather insights. This ongoing interaction ensures that our business strategy aligns with stakeholder expectations and enables us to take timely actions to sustain and enhance value.



Business Responsibility & Sustainability Report (Contd.)

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

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board Website), Other | Frequency of engagement (Annually/Half yearly/Quarterly/ others-please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | - Satisfaction surveys<br>- Grievance redressal<br>- Annual engagement activities<br>- Meetings with employee associations and unions | Regular and on a continuous basis | - To inform about employees' well-being initiatives<br>- For training and development<br>- To address employees' grievances<br>- Intimation regarding the Company's progress and growth plans |
| Customers | No | - Annual customer meet<br>- Zonal customer meet<br>- Customer interactive meet | Regular and on a continuous basis | - Ensuring customer satisfaction and needs are met<br>- Resolving customer grievances<br>- Information about products, its use and benefits |
| Suppliers | No | - Supplier meets<br>- Industry conclave | Regular and on a continuous basis | - Ensuring business ethics and alignment with organisational values<br>- Ensure quality of material is met<br>- Integration of ESG aspects into supplier operations |
| Investors/ Shareholders | No | - Investor meets<br>- Press conferences | Regular and on a continuous basis | - To provide updates on the Company's business and financial performance<br>- Regarding growth and future strategy |
| Government and Regulatory authorities | No | Through MoUs<br>- Quarterly<br>- Progress Report<br>- Annual Report | Regular and on a continuous basis | - Regarding clarification on guidelines and advice on technical/regulatory points<br>- To share updates on the Company's initiatives to ensure alignment with regulatory requirements |

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board Website), Other | Frequency of engagement (Annually/Half yearly/Quarterly/ others-please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| NGOs/ Community members | Not all stakeholder groups are considered vulnerable. (In the local community, the Company works with the lower socioeconomic section of society) | - Project Meetings<br>- Annual Reviews | Event driven and on need basis | - Provide support to NGOs for social upliftment<br>- Ensure communities we operate in are supported through a network of NGOs<br>- Creating shared value |

### Leadership Indicators

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

   There is a regular and systematic dialogue in place with stakeholders, where their feedback on pertinent issues is gathered. Periodic reviews of the stakeholder engagement process and responses from the engagement help us stay aligned with evolving stakeholder expectations and emerging issues. This feedback is documented and communicated to the Board, which ensures that they are fully informed of stakeholder concerns and insights.

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

   Yes, stakeholder consultation is integral to our process for identifying and managing environmental and social topics. In 2021-22, we conducted a materiality assessment, which helped us pinpoint and prioritise the most significant environmental, social, and governance (ESG) issues relevant to our business, stakeholders, and long-term sustainability. These insights guided us in developing robust management strategies and risk mitigation techniques. We transparently disclose these strategies, along with our progress, in our annual sustainability report.

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

   We engage with marginalised and vulnerable community stakeholders through various CSR initiatives. Our focus areas include education, livelihood improvement, healthcare, environmental sustainability, and farmer collaboration, all aimed at creating positive social impact.





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

### Essential Indicators

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

| Category | 2023-24 | | | 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (A) | No. of employees / workers covered (B) | % (B/A) |
| **Employees** | | | | | | |
| Permanent | 1,467 | 302 | 20.59% | 1,476 | 635 | 43% |
| Other than permanent | - | - | - | - | - | - |
| Total Employees | 1,467 | 302 | 20.59% | **1,476** | **635** | **43%** |
| **Workers** | | | | | | |
| Permanent | 931 | 262 | 28.14% | 527 | 269 | 51% |
| Other than permanent | - | - | - | - | - | - |
| Total Workers | 931 | 262 | 28.14% | **527** | **269** | **51%** |

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

| Category | 2023-24 | | | | | 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | No. (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 1401 | 0 | 0% | 1401 | 100% | 1,412 | 0 | 0% | 1,412 | 100% |
| Female | 66 | 0 | 0% | 66 | 100% | 64 | 0 | 0% | 64 | 100% |
| **Other than Permanent** | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 913 | 0 | 0% | 913 | 100% | 992 | 0 | 0% | 992 | 100% |
| Female | 18 | 0 | 0% | 18 | 100% | 18 | 0 | 0% | 18 | 100% |
| **Other than Permanent** | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |

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

   a. **Median remuneration / wages:**

| Category | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration / salary / wages of respective category | Number | Median remuneration / salary / wages of respective category |
| Board of Directors (BOD) | 4 | 1,455,000 | 1 | 310,000 |
| Key Managerial Personnel | 3 | 8,439,000 | Nil | NA |
| Employees other than BOD and KMP | 1,415 | 930,838 | 49 | 785,907 |
| Workers | 913 | 346,161 | 18 | 349,772 |

* Sitting fees and Commission paid to one female director.

b. **Gross wages paid to females as a % of total wages paid by the entity, in the following format:**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Gross wages paid to females as a % of total wages | 2.40% | 2.04% |

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

   Yes

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

   The Company has established an effective grievance redressal mechanism to address employee concerns, including those related to human rights. Our three-tier escalation system ensures timely resolution and offers multiple channels for employees to voice their grievances: meeting with departmental heads or supervisors, sending an email, or mailing a letter. All complaints are reviewed by a committee, which evaluates and investigates the issues before recommending appropriate corrective actions to the relevant Business Units. The Member Secretary compiles a quarterly report on human rights violation complaints and the actions taken, and submits this report to the Chief Human Resources Officer and Managing Director every six months.

   For more details, please refer our Human Rights Policy: https://www.paradeepphosphates.com/uploads/content/human-rights-policy.pdf

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

| | 2023-24 | | | 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | NIL | NIL | - | NIL | NIL | - |
| Discrimination at workplace | NIL | NIL | - | NIL | NIL | - |
| Child Labor | NIL | NIL | - | NIL | NIL | - |
| Forced Labor/Involuntary Labor | NIL | NIL | - | NIL | NIL | - |
| Wages | NIL | NIL | - | NIL | NIL | - |
| Other human rights related issued | NIL | NIL | - | NIL | NIL | - |

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| Complaints on POSH as a % of female employees / workers | 0 | 0 |
| Complaints on POSH upheld | 0 | 0 |

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Company has implemented a Prevention of Sexual Harassment Policy, maintaining a strict zero-tolerance stance. We have established an Internal Complaints Committee (ICC) dedicated to addressing and resolving complaints with empathy and urgency, ensuring victims receive the necessary support and justice. Furthermore, our Whistleblower Policy provides a secure and confidential channel for reporting concerns, safeguarding the integrity and trust of all employees.

9. **Do human rights requirements form part of your business agreements and contracts?**

   Yes

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10. **Assessment for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour<br>Forced/Involuntary labour<br>Sexual harassment<br>Discrimination at workplace<br>Wages<br>Others | 100% |

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

    Not Applicable

## Leadership Indicators

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

   In the reporting year, we did not modify any business processes, as no human rights assessments were conducted.

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

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

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

   **Yes,** our premises are designed to ensure unhindered accessibility for differently-abled individuals.

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

   Not Applicable

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

   Not Applicable

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

### Essential Indicator

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

| Parameter | 2023-24 | 2022-23 |
|---|---|---|
| Total electricity consumption (A) | 1,031,331.59 GJ | 987,419.36 GJ |
| Total fuel consumption (B) | 7,922,450.14 GJ | 8,693,332.47 GJ |
| Energy consumption through other sources (C) | 6,205,575.41 GJ | 6,374,056.22 GJ |
| Total energy consumption (A+B+C) | 15,159,357.14 GJ | 16,054,808.05 GJ |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in Million ₹) | 130.97 GJ/Million | 120.34 GJ/ ₹ Million |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>(Total energy consumed / Revenue from operations adjusted for PPP in Million ₹) | 2,933.62 GJ/Million | 2,668.03 GJ/Million |
| Energy intensity (Total energy consumption/metric tonnes of production) | 6.58 GJ/Metric tonnes of production | 7.90 GJ/Metric tonnes of production |

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

Yes. Energy Audit was conducted through M/S Power Tech (Accredited Energy Audit Agency) for the reporting year 2023-24.

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

Not applicable. As per the amendments to the PAT scheme implemented by the Bureau of Energy Efficiency (BEE), Government of India, for Cycle VII (2022-2025), the fertilizer sector has been removed from the list of designated sectors. This exemption is due to the sector having already achieved substantial energy efficiency improvements, with limited potential for further enhancements under the scheme's framework. Consequently, the provisions and obligations of the PAT scheme are no longer applicable to entities operating within the fertilizer sector for the current cycle.

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

| Parameter | 2023-24 | 2022-23 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Fresh Surface water | 7,190,000 | 6,660,000 |
| (ii) Ground water | - | - |
| (iii) Third party water | 3,070,000 | 3,350,000 |
| (iv) Sea water/desalinated water | - | - |
| (v) Others | - | - |
| **Total volume of water withdrawal (in kilolitres)** (i+ii+iii+iv+v) | 10,260,000 | 10,010,000 |
| **Total volume of water consumption (in kilolitres)** | 10,260,000 | 10,139,745 |
| **Water intensity per rupee of turnover** (Water consumed/turnover in Million rupees) | 88.63 KL/Million | 75.03 KL/Million |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)**<br>(Total water consumption / Revenue from operations adjusted for PPP in Million ₹**)** | 1,985 KL/Million | 1,685.05 KL/Million |

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

No PPL has not carried out any independent assessment of water disclosures by an external agency.

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

Yes, we have implemented Zero Liquid Discharge mechanisms, achieved by a closed-loop water cycle and various recycling routes. Both of our manufacturing plants are equipped with Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) to treat wastewater efficiently. This treated wastewater is then reused, significantly reducing our reliance on freshwater sources. Moreover, we have installed a reverse osmosis (RO) plant to treat Cooling Tower Blowdown streams, further minimising freshwater consumption. The permeate from the RO plant is reused as cooling tower make-up water, while the discarded is repurposed as process water within our manufacturing facilities.

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

| Parameter | Unit | 2023-24 | 2022-23 |
|---|---|---|---|
| NOx | MT | 496.83 | 438.75 |
| SOx | MT | 1,034.20 | 1,259.93 |
| Particulate matter (PM) | MT | 1,031.56 | 1,154.48 |
| Persistent organic pollutants (POP) | MT | NA | NA |
| Volatile organic compounds (VOC) | MT | NA | NA |
| Hazardous air pollutants (HAP) | MT | NA | NA |
| Others – please specify | MT | 11.98 | 11.56 |





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

**No PPL has not carried out any independent assessment of air emissions by an external agency.**

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

| Parameter | Unit | 2023-24 | 2022-23 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | tonnes of $CO_2$ eq. | 419,997.74 | 446,055.29 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | tonnes of $CO_2$ eq. | 44,653.84 | 41,786.97 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)** | tonnes of $CO_2$ eq./ Million rupees | 4.01 | 3.65 |
| **Total Scope 1 and Scope 2 emission intensity** per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | tonnes of $CO_2$ eq./ Million rupees | 8.64 | 6.94 |
| Total Scope 1 and Scope 2 emission intensity (Total energy consumption/metric tonnes of production) | tonnes of CO2 eq./ Metric tonnes of production | 0.20 | 0.24 |

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

No, PPL has not carried out any independent assessment of GHG emissions by an external agency.

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

We are dedicated to continuously enhancing energy efficiency and minimising the carbon footprint of our operations. To this end, we have initiated several projects. One notable initiative is the implementation of Heat Recovery Systems (HRS) across all three of our sulphuric acid plants, which harnesses steam produced in the Sulphuric Acid Plant for captive power generation, thus improving energy efficiency and reducing our environmental impact.

Additionally, in January 2024, at our plant in Goa, we upgraded our ammonia converter from a two-bed to a three-bed configuration and installed a new high-pressure synloop boiler downstream. This enhancement increased ammonia conversion per pass by 3-3.5%, allowing the excess heat to be utilised for producing high-pressure steam, thereby reducing the specific energy consumption of ammonia by 0.3 Gcal/MT. This project saves 258 Gcal of energy per day at an ammonia load of 860 MTPD, resulting in a daily reduction of $CO_2$ emissions by 24.77 $tCO_2e$.

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

| Parameter | 2023-24 | 2022-23 |
|---|---|---|
| **Total Waste generated (in metric tons)** | | |
| Plastic waste (A) | 3,365.18 | 5,783.21 |
| E-waste (B) | 0.61 | 7.221 |
| Bio-medical waste (C) | 0.465 | 0.812 |

| Parameter | 2023-24 | 2022-23 |
|---|---|---|
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | 9.75 | 2.06 |
| Radioactive waste (F) | NA | NA |
| Other Hazardous waste. Please specify, if any. (G) | 3,211.46 | 3,510.74 |
| *Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) | 1,876,131.31 | 1,515,450.54 |
| **Total (A+B+C+D+E+F+G+H)** | **1,882,718.77** | **1,524,754.58** |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)** | | |
| Hazardous Waste | | |
| (I) Recycled | 77.07 | 98.08 |
| (ii) Re-used | 3,024.90 | 3,316.10 |
| (iii) Other recovery operations | 0 | 0 |
| **Total** | **3,101.97** | **3,414.18** |
| Non-Hazardous Waste | | |
| (I) Recycled | 3,980.91 | 2,720.34 |
| (ii) Re-used | 25,491.40 | 36,790.20 |
| (iii) Other recovery operations | 0 | 0 |
| **Total** | 29,472.31 | 39,510.54 |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)** | | |
| **Hazardous Waste** | | |
| (i) Incineration | 2.26 | 2.97 |
| (ii) Landfilling | 96.75 | 100.5 |
| (iii) Other disposal operations | 10.48 | 49.17 |
| Disposed through authorised recyclers/users (used oil) | | |
| **Total** | **109.49** | **152.64** |
| **Non-Hazardous Waste** | | |
| (i) Incineration | 0 | 0 |
| (ii) Landfilling | 0 | 0 |
| (iii) Other disposal operations | **1,012,566** | 1,478,660.34 |
| *Disposed through authorised recyclers/users | | |
| **Total** | **1,012,566** | **1,478,660.34** |

*Includes Data for Phosphosypsum.

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

Waste management audit was done for hazardous waste during 2023-24 by M/S Ecokart Technology Pvt Ltd at our Paradeep site.

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

Our waste management strategy is anchored on the 3R principle of 'Reduce, Reuse, and Recycle.' This approach ensures that we manage waste in a compliant and ecologically responsible manner. We prioritise maximising the reuse of waste across our operations, and any waste that cannot be reused is disposed of according to regulatory requirements and



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statutory guidelines. We are also committed to reducing the generation of hazardous and non-hazardous waste at our manufacturing facilities. For example:

- Sulphur muck – Sulphur muck generated from production of sulphuric acid is repurposed as a filler in fertilizer manufacturing. Additionally, we use molten sulphur from IOCL to minimise the generation of sulphur muck.
- ETP Sludge – ETP sludge is also utilised as a filler in fertilizer production. We are also continuously working to reduce effluent to the ETP and minimize the generation of ETP sludge.

We have taken significant steps to comply with the Charter on Corporate Responsibility for Environmental Protection (CREP) for Fertilizer Industries. One key initiative was phasing out the use of Arsenic in the CO2 absorption system at our Ammonia plant. We replaced the Arsenic-based solution with a safer, non-arsenic dual activator-based GV solution and scientifically disposed of the existing arsenic inventory.

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

We do not operate in ecologically sensitive areas.

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

Not Applicable

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

Yes. PPL is fully compliant with the applicable environmental laws, regulations, and guidelines in India such as: The Water (Prevention & Control of Pollution) Act, 1974; The Air (Prevention & Control of Pollution) Act, 1981; Noise Pollution (Regulations and Control) Rules 2000; Hazardous and other Wastes (Management and Trans-boundary Movement) Rules 2018; E-Waste (Management) Rules, 2016; Plastic Waste Management Rules, 2016; The Environment (Protection) Rules, 1986. We adhere to these regulations to ensure that our operations remain environmentally responsible and sustainable.

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

### Leadership Indicators

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

| Parameter | 2023-24 | 2022-23 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 825.48 GJ | 908.16 GJ |
| Total fuel consumption (B) | 0 | 0 |
| Energy consumption through other sources (C) | 0 | 0 |
| **Total energy consumed from renewable sources (A+B+C)** | 825.48 GJ | 908.16 GJ |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 1,030,506.12 GJ | 986,511.20 GJ |
| Total fuel consumption (E) | 7,922,450.14 GJ | 8,693,332.47 GJ |
| Energy consumption through other sources (F) | 6,205,575.41 GJ | 6,374,056.22 GJ |
| Total energy consumed from non-renewable sources | 15,158,531.67 GJ | 16,053,899.89 GJ |

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

No

2. **Provide the following details related to water discharged:**

| Parameter | 2023-24 | 2022-23 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | - | - |
| - No treatment | - | - |
| - With treatment-please specify level of treatment | 782 | 4,204 |
| (ii) To Groundwater | - | - |
| - No treatment | - | - |
| - With treatments – please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third parties | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| **Total water discharged (in kilolitres)** | **782** | 4,204 |

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

No

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

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

(i) Name of the area -

(ii) Nature of operations –

(iii) Water withdrawal, consumption, and discharge in the following format:

Not Applicable, as we do not operate in any water-stressed areas.

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

Not Applicable

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

| Parameter | Unit | 2023-24 | 2022-23 |
|---|---|---|---|
| Total Scope 3 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of CO2 equivalent | 6,489,507.61 | 5,747,817.48 |
| Total Scope 3 emissions per rupee of turnover | Metric tonnes of CO2 equivalent/ ₹ Million | 56.06 | 43.08 |
| Total Scope 3 emission intensity (Total energy consumption/metric tonnes of production) | | 2.82 | 2.83 |

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

No

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

Not applicable –

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

| Sr. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative | Collective action taken, if any |
|---|---|---|---|---|
| 1 | Replaced old LT motor with new energy efficient motor. | During 2023-34, we replaced 26 numbers of old LT motors with new Energy efficiency motors to improve efficiency and minimise energy consumption. | The initiative resulted in electricity saving of 80,766 KWh and a varied saving of 4.3 Lakhs. | No |
| 2 | Ammonia convertor basket changeover | In January 2024, at our plant in Goa, we upgraded the ammonia converter basket from a two-bed to a three-bed configuration and installed a new high-pressure synloop boiler downstream. | This enhancement increased ammonia conversion per pass by 3-3.5%, allowing the excess heat to be utilized for producing high-pressure steam, thereby reducing the specific energy consumption of ammonia by 0.3 Gcal/ MT. This project saves 258 Gcal of energy per day at an ammonia load of 860 MTPD, resulting in a daily reduction of CO2 emissions by 24.77 tCO2e. | No |
| 3 | Captive Solar Plant | We have installed a 255 kW captive solar power plant at Paradeep manufacturing facility to increase the share of renewable energy in our energy mix. | Reduction in GHG emissions | NA |
| 4 | Waste Heat Recovery | We have installed a waste heat recovery system at Paradeep facility in sulphuric acid plants. On a daily basis, the waste heat recovery system generates power equivalent to 245 MW | Reduction in GHG emissions: 23,190.68 $tCO_2e$ annually | NA |

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

Yes, we have an onsite emergency plan that includes Standard Operating Procedures (SOPs) for various identified disasters. This is designed to ensure business continuity and safeguard personnel safety.

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

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

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

None

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

**Essential Indicator**

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

We are associated with eight trade bodies/ associations.

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

| S.N. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/ associations (state /National/ International) |
|---|---|---|
| 1. | CII | National |
| 2. | Assocham | National |
| 3. | FAI | National |
| 4. | FICCI | National |
| 5. | Indian Chamber of Commerce | National |
| 6. | IFA | International |
| 7. | Green Triangle Society | State |
| 8. | Goa Management Association | State |

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

Not applicable

**Leadership Indicators**

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

Not Applicable

**PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development**

**Essential Indicator**

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

Not applicable

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

Not applicable

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

We engage with the community through our NGO partners and periodic in-person meetings. Additionally, we host events to connect with farmers and suppliers, providing a platform to address their concerns and ensure open communication.

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

| | 2023-24 | 2022-23 |
|---|---|---|
| Directly sourced from MSMEs/Small producers | 3% | 8.2% |
| Directly from within India | 14.6% | 24% |



Business Responsibility & Sustainability Report (Contd.)

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

| Location | 2023-24 | 2022-23 |
|---|---|---|
| Rural | 0 | 0 |
| Semi-urban | 0 | 0 |
| Urban | 72.31% | 0 |
| Metropolitan | 27.68% | 0 |

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**Leadership Indicators**

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

The Company is in the process of conducting social impact assessments on a voluntary basis.

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

| S. No. | State | Aspirational District | Amount spent (In ₹) |
|---|---|---|---|
| 1. | Odisha | Rayagada | 13,000,000 |

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

(b) **From which marginalised/vulnerable groups do you procure?**

(c) **What percentage of total procurement (by value) does it constitute?**

No, the Company presently does not have a preferential procurement policy.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not Applicable

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

Not Applicable

6. **Details of beneficiaries of CSR Projects:**

| Sr. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised groups |
|---|---|---|---|
| 1 | Livelihood and Community Empowerment | 3,545 | 70% |
| 2 | Healthcare and WaSH | 33,225 | 60% |
| 3 | Education Development Initiatives | 8,859 | 100% |
| 4 | Environment and Biodiversity | 7,044 | 100% |
| 5 | Rural & Slum Development Projects | 1,925 | 70% |
| 6 | Promotion of Sports | 3,545 | 100% |
| 7 | Aspiration District Program | 1,300 | 100% |

**PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner**

### Essential Indicators

1. **Describe the mechanism in place to receive and respond to consumer complaints and feedback.**

   At our company, we believe in maintaining an open line of communication with our valued customers. To this end, we provide customer feedback contact details on all our fertilizer packs. Our customers can reach us by phone at 06722-229400/600 for Paradeep and 0832-2592673 for Goa, or via email at customercareppl@adventz.com and customercare@adventz.com.

   We have dedicated compliance officers at both Paradeep and Goa locations to address complaints/queries and feedback promptly.

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

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

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

| | 2023-24 | | | 2022-23 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security (Fake Interviews) | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Others | 0 | 0 | - | 0 | 0 | - |

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

   Not applicable. We specialise in fertilizers designed to improve soil fertility. The product is inherently non-hazardous, and there are no safety concerns associated with their handling. Additionally, since fertilizers do not have an expiry date, product recalls are not necessary.

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Nil | NA |
| Forced recalls | Nil | NA |

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

   Yes, The Company ensures highest standards of data privacy and cybersecurity as detailed in its Information Security Management System (ISMS) policy. To raise any concern regarding I.T./cybersecurity, individuals can send an email to dpmohanty@adventz.com. Additionally, we have a publicly available privacy policy that outlines how personal information is collected, processed, and protected. For more details, please refer to the Company's Privacy Policy:

   https://www.paradeepphosphates.com/privacy-policy



Business Responsibility & Sustainability Report (Contd.)

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

   Regarding product advertising, all declarations in our communications are based on nutrient content in accordance with Fertilizer Control Order (FCO) guidelines and the outlined product benefits. There have been no instances of issues related to our advertising practices.

### Leadership Indicators

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

   Information on our products and services can be accessed through the Company's website at the following link :https://www.paradeepphosphates.com/brands-and-products

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

   During farmer meetings, we provide valuable information on soil health and the balanced use of fertilizers to help achieve better yields.

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

   PPL's marketing teams and channel partners work diligently to ensure the availability of key fertilizers year-round, especially during the critical Kharif and Rabi seasons, as fertilizers are essential commodities.

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

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

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact**

      None

   b. **Percentage of data breaches involving personally identifiable information of customers**

      Zero (0%)

# DIRECTORS' REPORT



**To the Members,**

Your Directors have pleasure in presenting the Forty Second Annual Report of Paradeep Phosphates Limited ("Company") together with the Audited Financial Statements for the financial year ended 31st March 2024.

## 1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs )

| Particulars | Standalone | |
|---|---|---|
| | 2023-24 | 2022-23 |
| Revenue from Operation | 1,157,511.98 | 1,334,072.19 |
| Finance Costs | 36,602.70 | 29,124.25 |
| Depreciation | 21,067.03 | 17,515.31 |
| Profit before tax | 14,016.72 | 42,566.46 |
| Tax expense | 4,092.50 | 12,197.72 |
| Profit after tax | 9,924.22 | 30,368.74 |
| Other Comprehensive Income/(Loss) | (193.61) | 69.10 |
| Total Comprehensive Income | 9,730.61 | 30,437.84 |
| Earnings Per Share (Basic & Diluted) ₹ | 1.22 | 3.89 |

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

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

## 3. REVIEW OF OPERATIONS

During the financial year, on a standalone basis, the Company recorded operating revenue of ₹ 1,157,511.98 Lakhs as compared to ₹ 1,334,072.19 Lakhs for the previous financial year.

The profit before tax for the year ended 31st March 2024 was ₹ 14,016.72 Lakhs as compared to ₹ 42,566.46 Lakhs for the year ended 31st March 2023. Net Profit was ₹ 9,924.22 Lakhs for the year ended 31st March 2024 compared to earlier year's ₹ 30,368.74 Lakhs. Total Comprehensive Income stood at ₹ 9,730.61 Lakhs for the year ended 31st March 2024 compared to ₹ 30,437.84 Lakhs for the previous year.

The Board of Directors at its meeting held on 7th February, 2024, approved the composite scheme of arrangement for the merger of Mangalore Chemicals and Fertilizers Limited (MCFL) with and into the Company, marking a strategic move of consolidation for both the companies. The proposed amalgamation will enable the Company and MCFL to combine their businesses and create a strong amalgamated company, and to become one of the the largest integrated private sector fertilizer companies in India, with a total manufacturing capacity of ~3.6 MMTPA. The combined entity will be able to reap benefits of economies of scale, optimize product mix, enhance distribution reach and supply chain capabilities and leverage on each other potent synergies. This will result in unlocking tremendous value and drive sustainable growth for our shareholders, employees, and partners. Currently, the regulatory approvals are in progress

## 4. CAPITAL PROJECT

**At Paradeep Plant**

- Installation of new Ship unloader at PPL Jetty, Paradeep which is ease for operation and maintenance, environment friendly as dust free and provide for fast unloading. The Erection of the installation started in January 2023 and completed by September 2023.
- A new phosphoric acid plant was commissioned on August 2023 with the help of M/s ThyssenKrupp Industrial Solution India Private Limited/ Prayon (Belgium) to increase Phosphoric acid annual production by 150,000 MT. Further the installation of 4th Evaporator of capacity 350 TPD has been commissioned on July 2023, which will increase annual production of strong Phosphoric acid by 116,000 MT. Existing DCS (Distributed control system) of old phosphoric acid plant is also getting upgrade to increase the reliability of the production control system.
- For upstream integration of the above commissioned projects for LP steam, power & sulphuric acid, Company is in progress of setting up of up to 1500 TPD Sulfuric acid plant along with a 23 MW power plant. The Company has obtained the environment clearances for project and expected completion by 2025.
- The Turbo generator-2 (16 MW) was retrofitted, to generate extra 10.2 MWH of energy per annum and excess 15 TPH of low pressure steam to cater the need of strong phosphoric acid evaporators.
- Further to this, keeping in view of future expansions & energy need, the MRSS expansion is going on for additional load of 23 MW, which is expected to complete by December 2024.
- Due to increase in railway traffic, existing approach road to PPL Paradeep is heavily congested, for which the Company is developing a new approach road from plant and township to Highway through zero point.

**At Goa Plant**

- In order to comply with the revised energy norms, set forth in New Urea Policy (NUP) 2015 notified by Department of Fertilizers, Government of India, the Company had conceptualised an Energy Savings Project (ESP) with target Specific Energy Consumption of Urea at 6.1GCal/MT. Accordingly, the services of M/s CASALE were engaged to carry out the Process Design Package (PDP) for the ESP schemes and their integration.
- The PDP has been developed to bring down the Urea Energy to 6.1 GCal/MT. Implementation of the Energy Savings schemes has been bifurcated into phases. As a part of Phase 1, The ammonia Converter has been retrofitted with the latest technology 3 bed configuration along with Casale's Amomax Catalyst. In addition, a new Synthesis Loop Boiler downstream of the converter has been installed which was designed and fabricated by M/s ISGEC. The 1st Shift Converter has also been retrofitted with Axial -Radial Baskets and new Catalyst. The site work for Phase 1 has been executed by M/s Daynite Engineers and Contractors. These interventions have helped bring down the Urea Energy to 6.4GCal/MT.
- The Phase 2 involves retrofit of the Synthesis Gas Compressor Train and Air compressor Turbine, which has commenced and is in the ordering Stage. Installation and commissioning is expected in December 2025 and it will bring down the Urea Energy to 6.1 Gcal/MT.
- Further, as part of Reliability improvement, during the Annual Turnaround of 2023, the superheaters of the Utility Boiler B has been replaced with improvised Material of Construction, through M/s Thermax Ltd. Also, the shell of the Process Gas Re-boiler in the Ammonia plant, has been replaced and with superior Material through M/s TEMA.
- As part of sustenance, Infrastructure for raw material storage and handling are being augmented to facilitate higher storage for Phosphoric Acid, Potash and filler material. This will help in obtaining larger parcel of imports as well as provide adequate buffer for continuous production. The Engineering for a new 3000MT Phosphoric Acid Tank has been completed by M/s Simon India. A mechanised system for storage and handling of filler has been conceptualised and is currently in the ordering stage. The engineering to increase the storage capacity of Potash Shed from 10,000 MT to 20,000 MT is in progress
- As our initiative towards Environment compliance / responsibility, other projects like Installation of a Sludge dryer to facilitate faster consumption of any and all sludge generated into our phosphatic plants, and Bio-digestor for canteen waste are in progress.

## 5. TRANSFER TO RESERVES

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

## 6. DIVIDEND

Your Board of Directors have recommended dividend of ₹ 0.50 per equity share of face value of ₹ 10 for the Financial Year 2023-24.The dividend distribution policy is available on the website of the Company i.e., https://www.paradeepphosphates.com/uploads/content/dividend-distribution-policy-20-08-2022.pdf

## 7. SHARE CAPITAL

**Authorised Capital**

The authorised share capital of the Company as on 31st March 2024 was ₹ 10,000,000,000 (Rupees one thousand Crores) divided into ₹ 9,000,000,000 (Rupees nine hundred Crores) consisting of 900,000,000 (ninety Crores) equity shares of face value of ₹ 10 each, and ₹ 1,000,000,000 (Rupees hundred Crores) consisting of 10,000,000 (one Crore) 7% non-cumulative redeemable preference shares of face value of ₹ 100 each.

## 8. SAFETY, HEALTH, ENVIRONMENT

The Company continues its environment and safety initiatives. As a responsible employer, we are committed to ensuring our workplace is safe and healthy, with no accidents or illnesses, especially when many workers handle and work with and around hazardous chemicals. Our facilities are designed with the highest safety standards and state-of-the art safety controls. To reduce the exposure of staff to occupational health and safety hazards, we have been implementing robust procedures at both of our plants.

Our sites are ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified. Additionally, we are an energy-efficient (ISO 50001) and 5S certified company, demonstrating a holistic approach to operational excellence. Our dedication to safety has garnered prestigious recognitions, including the Premium Membership Certificate from the British Safety Council.

The Company has formulated a comprehensive policy that extends to commitment with regard to Occupational Health & Safety in business operations to minimise risk to our personnel, business associates, and community by preventing pollution, injury, and ill health & strive for continual improvement in EHS management and performance.

The Company conducted various activities related to Safety, Health & Environment during National Safety Week, National Road Safety Month, World Environment Day, National Fire Service Day and Chemical Disaster Prevention Day. Two days training program on Occupational Health & Safety, through the Inspectorate of Factories & Boilers, Government of Goa were conducted for the employees & workers. We actively promote safety awareness within our company and the surrounding community. Twice a year, we conduct programs in nearby villages to educate residents on potential hazards and emergency response measures. This year, we carried out a first-of-its-kind State Level Mock Exercise on Chemical Disaster, directed by National Disaster Management Authority (NDMA) - Govt. of India (Ministry of Home Affairs) in collaboration with Odisha State Disaster Management Authority (OSDMA) and State Govt. Officials to simulate an ammonia release. We are also immensely proud to have showcased our safety expertise at the "Observance of Odisha Disaster Preparedness Day" exhibition at state level.

The Company has progressed halfway through in implementation of the PROCESS SAFETY MANAGEMENT (PSM) system. Implementation of Process Safety Management will further enhance & strengthen safety systems. The elements of PSM will integrate all aspects of risk in the facility that handles, stores or processes toxic or flammable chemicals by institutionalising risk-based approach in the process safety. PSM provides dynamic environment for continual improvement and aims to prevent catastrophic incidents.

The Company has prepared pocket manual on PSM to enable/facilitate employees in the implementation of PSM across the Goa unit. A two days specialised PSM Training for Senior Leaders & Middle Management to streamline implementation of PSM was conducted through M/s. Dekra India, Two days training program on Scaffolding Inspector was conducted for the Officers of the Company to develop and mitigate the risk of working at Height.

Further we have launched the "HIT (Hazard Identification Tour)" program, empowering employees to identify and address potential safety concerns at Paradeep Plant.

Our both sites are zero liquid discharge. Our Goa plant has been a Zero Liquid Discharge (ZLD) facility since 1990, achieved by a closed-loop water cycle and various recycling routes. To treat wastewater, both manufacturing plants have ETP and STP installed.

As reported earlier, the Company's policy is to continuously improve the surrounding environment. It continues to maintain the continuous online Ambient Air Quality Monitoring Station and online continuous Stack Monitoring System for the Utilities Boiler Stack, Reformer stack of Ammonia plant, DG stack and the Fume stack of NPK-A Plant. The flow meter and camera for continuous online final effluent monitoring system is also maintained.

The collaborative study with CSIR-National Environmental Engineering Research Institute (CSIR-NEERI) regarding solid waste and waste water management at our Goa unit has progressed significantly over the past one year, with thorough assessments, data collection, and analysis conducted in collaboration with CSIR-NEERI experts. We are currently at the interim report stage, where initial findings and observations have been compiled.

Sludge dryer system is installed for managing the ETP and Phosphoric Acid sludge. By drying the sludge, reduces its volume and also create an opportunity for efficiently reusing it in NPK plants. This approach helps minimise waste disposal costs and potentially reduces the environmental impact associated with traditional disposal methods.



Directors' Report (Contd.)

Company has initiated the installation of a 150 Kg capacity bio-digester to process food waste generated from our canteens. The biogas produced will be piped directly to the kitchen, where it will be used for cooking purposes. This initiative aligns with our commitment to environmental responsibility and resource efficiency.

To enhance our ambient air pollutant monitoring capabilities, we are replacing extractive gas analysers with Differential Optical Absorption Spectroscopy (DoAS) analysers. This transition will enable more effective monitoring of pollutants such as $SO_2$, $NO_2$, and $NH_3$.

Under our Extended producer responsibility (EPR) Activity, the plant at Goa, in 2023-24 has diverted approximate 2,070 tons of Post-Consumer Plastic Waste from landfills to recycling and thus contributing towards a greener and cleaner environment.

"DIGITAL MASS COMMUNITY SAFETY AWARENESS PROGRAM" was conducted to generate safety awareness within the general public on simple precautions to be taken in the event of ammonia gas emergency in various panchayat areas on LED screen with vehicle, during the National Safety week.

During the Annual Turn Around-2023 maintenance, for effective monitoring of the activities, Safety stewards were engaged round the clock, which helped in completing the Annual Turn around without any lost time incident.

After being decided to make available a defibrillator at our Occupational Health Centre (OHC), Company purchased the Automated external defibrillator (AED) of Phillips make and is put to use in case of sudden cardiac arrest or in cases of severe electric shocks. Training and awareness towards use of AED has also been initiated and about 50 employees/workers have already been trained. It is planned to cover most of the employees/workers for awareness/usage training in the current year.

As an additional measure to prevent incidents, health checkup of workers working at height was initiated this year and during ATR, about 400 such workers underwent said checkup which includes physical examination, vision check & special emphasis on ear and central nervous system check. General annual health check-up for 700 employees and 2,210 contractual workers completed at Paradeep plant. In addition to this, 495 employees and contractual workers have completed special Check-up category.

**Industrial Relations**

At PPL, we believe that strong industrial relations are essential to achieve our strategic objectives and promoting a positive work environment. This year, our approach to industrial relations has been focused on collaboration, transparency, and respect for our workforce, ensuring that we maintain a harmonious workplace that drives productivity with zero production loss due to labour unrest. At Manufacturing unit at Goa, the wage settlement for regular staff category employees has been signed & implemented for the settlement period up till December 2021 and The wage settlement for unionised contract workers of Canteen has been signed and implemented for the settlement up till June 2026.

As we look to the future, we remain dedicated in maintaining strong industrial relations. We will continue to prioritise employee well-being, open communication, and work collaboratively with worker unions and other stakeholders. By doing so, we are confident that we can build a workplace culture that drives success and empowers our employees to reach their full potential.

## 9. ANNUAL RETURN

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

## 10. a) BOARD MEETINGS

During the year, six Board Meetings were held on 17th May 2023, 2nd August 2023, 31st October 2023, 18th December 2023, 5th February 2024 and 7th February 2024. The details of the composition of the Board and attendance of the Directors at the Board Meetings, are provided in the Corporate Governance Report attached as **Annexure - A**.

### b) AUDIT COMMITTEE

During the year under review, eight Audit Committee Meetings were held on 5th May 2023, 17th May 2023, 2nd August 2023, 31st October 2023, 18th December 2023, 5th February 2024, 6th February 2024 and 7th February 2024 and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report attached as **Annexure- A**.

## 11. DIRECTORS RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 12. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

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

## 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company was having 8 Directors as on 31st March 2024 with seven Non-Executive Directors including four Independent Directors and a Managing Director.

Mrs. Rita Menon (DIN: 00064714) has been appointed as an Additional Director (in the capacity of Non - Executive Independent Director) with effect from 27th June 2023 and the shareholders of the Company approved her appointment at the AGM of the Company held on 26th September 2023, to hold office for a term of three (3) years from 27th June 2023 to 26th June 2026, not be liable to retire by rotation.

Mrs. Kiran Dhingra (DIN: 00425602) ceased to be a Director of the Company with effect from 27th July 2023 on completion of her term as Independent Director of the Company.

Mr. Satyananda Mishra (DIN: 01807198), Independent Director, completed his first term of 3 years on 3rd November 2023 and his re-appointment for a second term of 3 years with effect from 4th November 2023 to 3rd November 2026, was approved by the shareholders at the AGM of the Company held on 26th September 2023.

Mr. Soual Mohamed (DIN: 08684762) is liable to retire by rotation at the ensuing Annual General Meeting of the Company.

There was no change in Chief Financial Officer and Company Secretary of the Company during the year under review.

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

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

## 14. DIRECTORS TRAINING & FAMILIARISATION

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

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

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

## 15. PERFORMANCE EVALUATION

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

a. Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;

b. Performance evaluation of the Board, its committees and Independent Directors by the Board of Directors; and

c. Performance evaluation of every Director by the Nomination and Remuneration Committee.

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

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

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

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

The Nomination and Remuneration Policy is placed on the website of the Company i.e. https://www.paradeepphosphates.com/uploads/content/nomination-and-remuneration-policy.pdf

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

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company shall form part of this report. However, in terms of Section 136 of the Companies Act, 2023, this report is being sent to all the members of the Company excluding the aforesaid information. Any member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Corporate Office of your Company.

## 17. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

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

## 18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

## 19. WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

The Whistleblower Policy provides for adequate safeguards against victimisation of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Whistleblower Policy is placed on the website of the Company i.e., https://www.paradeepphosphates.com/uploads/content/whistleblowerpolicy29july20221677899588.pdf

## 20. RISK MANAGEMENT

The Company has the requisite processes and procedures in place to identify and assist in minimising exposure to risk that threaten the existence of the Company. The Board has put in place a risk management policy to monitor and review potential risks. The brief detail about this policy may be accessed on the Company's website at https://www.paradeepphosphates.com/uploads/content/riskassessmentmanagementpolicy19nov2022.pdf

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

## 21. LOANS, GUARANTEES OR INVESTMENTS

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

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

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

## 23. RELATED PARTY TRANSACTIONS

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

## 24. DEPOSITS

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

## 25. STATUTORY AUDIT

The Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants, were re-appointed to hold office from the conclusion of 40th Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company.

## 26. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Sunita Jyotirmoy and Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the year 2023-24. The Secretarial Audit report is annexed herewith as **Annexure - E**.

## 27. COST RECORDS & COST AUDIT

The Company is required to maintain cost records as per Section 148(1) of the Companies Act, 2013, and accordingly such accounts & records are made and maintained. The Company appointed M/s. S. S. Sonthalia & Co., Cost Accountants, as the Cost Auditor for the year 2023-24. The Cost Audit Report for the year ended 31st March 2023 was filed by the Company with the Ministry of Corporate Affairs on 9th August 2023.

## 28. AUDITORS' REPORT

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

## 29. MATERIAL CHANGES & COMMITMENTS

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

## 30. SIGNIFICANT & MATERIAL ORDERS

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

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

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

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

## 32. COMPLIANCE OF SECRETARIAL STANDARDS

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

## 33. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013. The Consolidated Financial Statements for the Financial Year ended 31st March 2024 forms part of the Annual Report.

## 34. EMPLOYEE STOCK OPTION SCHEME

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

In terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time ('SEBI Regulations'), the Nomination and Remuneration Committee of Board, inter alia, administers and monitors the PPL Employee Stock Option Plan 2021 of your Company. A certificate from the Secretarial Auditor on the implementation of your Company's Employees Stock Option Scheme will be placed at the ensuing Annual General Meeting for inspection by the Members. Further, disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with SEBI circular dated 16th June 2015 for the financial year ended 31st March 2024 are available on website of the Company.

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

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

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

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

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

No application was made or any proceedings filed under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2023-24.

**38. CORPORATE GOVERNANCE**

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

A detailed Corporate Governance Report in line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the corporate governance practices followed by the Company which given as **Annexure – A** and the certificate from Practicing Company Secretary relating to compliance of mandatory requirements is given as **Annexure – B.** A statement regarding opinion of the Board, with regard to integrity, expertise and experience (including proficiency) of the Independent Directors appointed during the year is given in Corporate Governance Report annexed as **Annexure A.** Management Discussion and Analysis report for 2023-24, forms part of the Annual Report.

**39. BUSINESS RESPONSIBILITY AND SUSTAINABLITY REPORT**

The 'Business Responsibility and Sustainability Report' (BRSR) for 2023-24, forms part of the Annual Report.

**40. GENERAL**

No disclosure or reporting is made with respect to the following items, as there were no transactions during 2023-24:

- The issue of equity shares with differential rights as to dividend, voting or otherwise
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme except Employees' Stock Options Schemes referred to in this Report;
- Managing Director and Chief Executive Officer has not received any remuneration or commission from any of its subsidiaries;
- There was no revision in the financial statements;
- The Company has not made any downstream investments during 2023-24 and hence certificate under FEMA is not required;
- There was no material subsidiary during 2023-24 and
- There was no one time settlement against any of the loan availed by the Company from the Banks or Financial Institutions during the Financial Year 2023-24.

**41. ACKNOWLEDGEMENT**

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

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

**S. K. PODDAR**
**Chairman**
**DIN: 00008654**
**Date:15$^{th}$ May 2024**





# ANNEXURE - A TO THE DIRECTORS' REPORT

## Corporate Governance Report

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

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

### 2. BOARD OF DIRECTORS

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

During the year, six Board Meetings were held on 17$^{th}$ May 2023, 2$^{nd}$ August 2023, 31$^{st}$ October 2023, 18$^{th}$ December 2023, 5$^{th}$ February 2024 and 7$^{th}$ February 2024.

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

| Name of Director | Category^ | Skills/expertise/ competence | No. of Directorships in other companies+ as on 31$^{st}$ March 2024 | No. of Board Meetings Attended | No. of shares held | Attendance at previous Annual General Meeting | No. of Board Committees of other companies++ as on 31$^{st}$ March 2024 | | Directorship in other Listed entity | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Chairman | Member | Name | Category^ |
| Saroj Kumar Poddar | Chairman / NED | Business Management Leadership and General Management and Industry Experience | 10 | 6 | Nil | Yes | 0 | 0 | Chambal Fertilizers and Chemicals Ltd<br>Texmaco Rail & Engineering Ltd.<br>Zuari Agro Chemicals Ltd.<br>Zuari Industries Ltd | NED<br>NED<br>NED<br>NED |
| N Suresh Krishnan | MD | Corporate Finance, Corporate Strategy, Project Planning, Operations and Business Development. Leadership and Industry Experience | 4 | 6 | Nil | Yes | 0 | 0 | Mangalore Chemicals & fertilizers Limited | NED |
| Soual Mohamed | NED | General Management and industry experience | 1 | 6 | Nil | Yes | 0 | 0 | - | - |

| Name of Director | Category^ | Skills/expertise/ competence | No. of Directorships in other companies+ as on 31st March 2024 | No. of Board Meetings Attended | No. of shares held | Attendance at previous Annual General Meeting | No. of Board Committees of other companies++ as on 31st March 2024 | | Directorship in other Listed entity | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Chairman | Member | Name | Category^ |
| Karim Lotfi Senhadji | NED | Risk Management, Finance Skills, Business Management, Leadership Skills | 1 | 3 | Nil | No | 0 | 0 | - | - |
| Kiran Dhingra@ | ID | Experience in Corporate governance & legal compliances and experience and knowledge in the matters of Safety and Corporate Social Responsibility | NA | 1 | NA | NA | NA | NA | NA | NA |
| Satyananda Mishra | ID | Experience in governance Corporate risk assessment and strategic analysis | 3 | 6 | Nil | Yes | 0 | 2 | Ugro Capital Ltd | ID |
| Dipankar Chatterji | ID | Chartered Accountant by profession and is an expert in the field of Finance, Taxation, Accounts and Laws, Risk Assessment & Management | 10 | 6 | Nil | Yes | 4 | 2 | Nicco Parks & Resorts Ltd<br>Zuari Agro Chemicals Ltd | ID<br>ID |
| Subhrakant Panda | ID | Experience in Business Management/ corporate planning, strategic Analysis | 7 | 5 | Nil | Yes | 0 | 0 | Indian Metals and Ferro Alloys Ltd<br>Goa Carbon Ltd<br>Jk Tyre & Industries Ltd | MD<br>ID<br>ID |



Annexure - A to the Directors' Report (Contd.)

| Name of Director | Category^ | Skills/expertise/ competence | No. of Directorships in other companies+ as on 31st March 2024 | No. of Board Meetings Attended | No. of shares held | Attendance at previous Annual General Meeting | No. of Board Committees of other companies++ as on 31st March 2024 | | Directorship in other Listed entity | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Chairman | Member | Name | Category^ |
| Rita Menon# | ID | Experience in Corporate Governance, accounting & finance and General Management | 2 | 5 | Nil | Yes | 1 | 1 | Chambal Fertilizers and Chemicals Ltd | ID |

^MD-Managing Director, ID–Independent Director, NED–Non-Executive Director,

@ upto 26th July 2023, # w.e.f 27th June 2023.

+ Includes Directorship in other public and private companies.

++Includes Audit Committee and Stakeholders' Relationship Committee only in public companies.

None of the Directors are related to each other.

**Specific skills/ expertise/ competency identified / required**

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

a. **Strategic skills**

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

b. **Finance skills**

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

c. **Regulatory matters**

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

d. **Industry / Product related**

Experience & knowledge of the industry and its dynamics.

e. **Risk related**

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

f. **Business management**

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

g. **Corporate Governance related**

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

h. **Personal attributes**

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

**Senior Management**

As on March 31, 2024, Senior Management of the Company includes the following:

1. Mr. N. Suresh Krishnan- Managing Director & CEO
2. Mr. Rajeev Nambiar -Chief Operating Officer
3. Mr. Harshdeep Singh-Chief Commercial Officer
4. Mr. Bijoy Kumar Biswal-Chief Financial Officer
5. Mr. Raj Kumar Gupta -Chief Procurement Officer
6. Mr. Rajneesh Bhardwaj - Chief Human Resources Officer
7. Mr. Sachin Patil- Company Secretary

Mr. Pranab Bhattacharyya- ceased to be Chief Manufacturing Officer- Paradeep Plant from close of business hours of 30th September 2023.

Mr. Rajeev Nambiar has been appointed as President & Chief Operating Officer of the Company, with effect from 2nd January, 2024.

**Independent Directors**

a. Familiarisation Programme

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

b. Separate Meeting

A separate meeting of the Independent Directors was held on 17th May 2023 to discuss:

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

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

## 3. AUDIT COMMITTEE

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

i. The Audit Committee shall meet at least 4 times in a year with not more than 120 days gap between two meetings.

ii. The quorum for the meetings shall be at least 2 independent directors and Chairman of the meeting shall be an Independent Director.

iii. The Audit Committee shall have the powers to investigate any financial activity, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

iv. The role of Audit Committee and the information that the Audit Committee shall review will be as specified in Section 177 of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part C of Schedule II.

v. The Audit Committee shall specify the criteria for making the omnibus approval which shall include parameters prescribed in Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014.

vi. The Audit Committee shall review Policy on Related Party Transactions and Whistle-blower Policy on an annual basis.

vii. The Company Secretary shall act as the secretary to the Audit Committee.

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

During the year, eight meetings of the Audit Committee were held on 5th May 2023, 17th May 2023, 2nd August 2023, 31st October 2023, 18th December 2023, 5th February 2024, 6th February 2024, and 7th February 2024.

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

| Name of the Director | Status | No. of meetings attended |
|---|---|---|
| Dipankar Chatterji | Chairman | 08 |
| Kiran Dhingra# | Member | 02 |
| Satyananda Mishra | Member | 08 |
| Karim Senhadji | Member | 04 |

# upto 26th July 2023



Annexure - A to the Directors' Report (Contd.)

## 4. NOMINATION AND REMUNERATION COMMITTEE

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

i. The Nomination and Remuneration Committee shall meet at such intervals as may be necessary, but at least once in a year, to discharge its functions.

ii. The quorum for the meetings shall be at least 2 members including at least one Independent Director and Chairman of the meeting shall be an Independent Director.

iii. The role of Nomination and Remuneration Committee shall be as specified in Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.

iv. The Nomination & Remuneration Committee shall review Nomination and Remuneration Policy and Policy on Board Diversity on an annual basis.

v. The Company Secretary shall act as the secretary to the Nomination & Remuneration Committee.

vi. Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:

(a) administering the [**PPL Employees Stock Option Plan 2021**] (the "Plan");

(b) determining the eligibility of employees to participate under the Plan;

(c) granting options to eligible employees and determining the date of grant;

(d) determining the number of options to be granted to an employee;

(e) determining the exercise price under the Plan; and

(f) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

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

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by [the trust,] the Company and its employees, as applicable.

(c) Carrying out any other activities as may be delegated by the Board of Directors of the Company and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

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

During the year, four meetings of the Nomination and Remuneration Committee were held on 5th May 2023, 19th June 2023, 21st July 2023 and 5th February 2024.

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

| Name of the Director | Status | No. of meetings attended |
|---|---|---|
| Satyananda Mishra | Chairman | 04 |
| Kiran Dhingra@ | Member | 03 |
| Soual Mohamed | Member | 04 |
| Rita Menon# | Member | 01 |

@ upto 26th July 2023, # w.e.f. 27th July 2023.

**Performance evaluation criteria for Independent Directors**

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

**5. RISK MANAGEMENT COMMITTEE**

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

i. The Committee shall meet at such intervals, as per the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

ii. The quorum for the meetings of the Committee shall be as per the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

iii. The Chairman of the Committee and its meetings shall always be a member of the Board of Directors.

iv. The Committee shall monitor and review the risk management plan.

v. The Committee shall review risk matrix and regulatory risk factors.

vi. The Committee shall review Foreign exchange Hedging policy and Risk Management Policy on an annual basis.

vii. The Committee shall exercise such powers and duties as may be delegated by the Board of Directors.

viii. The Company Secretary shall act as the secretary to the Committee.

During the year, two meetings of the Risk Management Committee were held on 19th July 2023 and 8th January 2024.

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

| Name of the Director | Status | No. of meetings attended |
|---|---|---|
| N Suresh Krishnan | Chairman | 02 |
| Dipankar Chatterji | Member | 02 |
| Karim Senhadji | Member | 01 |

**6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE;**

The terms of reference of the Corporate Social Responsibility Committee are as given below;

i. The Corporate Social Responsibility Committee shall meet at least once in a financial year

ii. The quorum for the meetings shall be at least 2 members

iii. The Committee shall recommend the amount of expenditure to be incurred on the CSR activities on an annual basis

iv. The Committee shall monitor & recommend to the Board changes to the Corporate Social Responsibility Policy from time to time.

v. The Company Secretary shall act as the secretary to the Corporate Social Responsibility Committee.

During the year, two meetings of the Corporate Social Responsibility Committee were held on 5th May, 2023 and 21st July 2023.

The composition and the attendance of the members of the Corporate Social Responsibility Committee was as follows:

| Name of the Director | Status | No. of meetings attended |
|---|---|---|
| Mr. N. Suresh Krishnan@ | Chairman | 02 |
| Mrs. Kiran Dhingra# | Chairperson | 02 |
| Mr. Karim Lotfi Senhadji | Member | 01 |
| Mrs. Rita Menon$ | Member | NA |

@Chairman w.e.f. 27th June 2023, #upto 26th July 2023, $w.e.f.27th July .2023

**7. REMUNERATION OF DIRECTORS**

The Company did not have any pecuniary relationship or transaction with any Non-Executive Directors except to the extent of payment of sitting fees and commission during the year 2023-24.

Remuneration by way of sitting fees was paid to the Independent Directors during the financial year ended 31st March 2024 for attending the meetings of the Board and the Committees. Further the commission was paid to the Non-Executive Directors. Payment of remuneration to the Managing Director was as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Shareholders.



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

| Name of the Director | Salary | Sitting fees & Commission (₹ in Lakhs) | Perquisites | Stock Options (₹ in Lakhs) | Bonus | Retirement benefit (₹ in Lakhs) | Terms of service contract |
|---|---|---|---|---|---|---|---|
| Saroj Kumar Poddar | - | 10.00 | - | - | - | - | Director liable to retire by rotation |
| N Suresh Krishnan | 413.79 | - | - | 18.77 | - | 18.26 | Reappointed as MD for a period of 3 years w.e.f.16th February 2023. Termination with 6 months' notice by either party |
| Soual Mohamed | - | - | - | - | - | - | Director liable to retire by rotation |
| Karim Lotfi Senhadji | - | - | - | - | - | - | Director liable to retire by rotation |
| Kiran Dhingra@ | - | 12.50 | - | - | - | - | NA |
| Satyananda Mishra | - | 17.20 | - | - | - | - | Re-appointed as Independent Director for a period of 3 years w.e.f. 4th November 2023 |
| Dipankar Chatterji | - | 16.60 | - | - | - | - | Appointed as Independent Director for a period of 3 years w.e.f. 3rd August 2021 |
| Subhrakant Panda | - | 12.50 | - | - | - | - | Appointed as Independent Director for a period of 3 years w.e.f. 31st January 2022 |
| Rita Menon# | - | 3.10 | - | - | - | - | Appointed as Independent Director for a period of 3 years w.e.f. 27th June 2023 |

@ upto 26th July 2023, # w.e.f 27th June 2023.

**8. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

i. The Stakeholders Relationship Committee shall meet at such intervals as it may be necessary, but at least once in a year, to discharge its functions

ii. The quorum for the meetings shall be at least 2 members.

iii. The Chairman of the meeting shall be a non - executive director and he shall be present at the annual general meeting.

iv. The role of Stakeholders Relationship Committee shall be as specified in Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.

During the year, one meeting of the Stakeholders' Relationship Committee was held on 5th February 2024.

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

| Name of the Director | Status | No. of meetings attended |
|---|---|---|
| Satyananda Mishra | Chairman | 01 |
| Kiran Dhingra@ | Member | NA |
| N Suresh Krishnan | Member | 01 |
| Rita Menon# | Member | 01 |

@ upto 26th July 2023, # w.e.f. 27th July 2023

Mr. Sachin Patil, Company Secretary is the Compliance Officer and acted as secretary to the committee.

During the year ended 31st March 2024, the Company has received 02 shareholders' complaints and same are redressed to the satisfaction of the shareholders.

**9. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

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

**10. CODE OF BUSINESS CONDUCT AND ETHICS**

The Company has in place, a Code of Business Conduct and Ethics for its Board members and the senior management, which has been posted on the Company's website. The Board and the senior management affirm compliance with the code, annually. The Managing Director has confirmed compliance of Code of Conduct and Ethics during the year 2023-24 by the Board Members and Senior Executives of the Company.

**11. GENERAL MEETINGS**

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

| Date | Time | Venue | Special Resolutions Passed |
|---|---|---|---|
| 26th September 2023 | 3:00 PM | Through Video Conferencing | • Appoint Mrs. Rita Menon (DIN: 00064714) as an Independent Director<br>• Re-appoint Mr. Satyananda Mishra (DIN: 01807198) as an Independent Director and continuation of directorship after attaining the age of 75 years |
| 12th September 2022 | 4:30 PM | Through Video Conferencing | • Borrow and mortgage/charge the Company's properties in favour of its lenders |
| 17th September 2021 | 5:00 PM | Through Video Conferencing | • Borrow and mortgage/charge the Company's properties |

**Details of the Special Resolution passed through Postal Ballot during the financial year 2023-24:**

| | | | | |
|---|---|---|---|---|
| Brief procedure for Postal Ballot | Postal Ballot conducted as per Section 110 of the Companies Act, 2013 and Companies (Management and Administration) rules, 2014. | | | |
| Type of meeting | Postal Ballot | | | |
| Date of Postal Ballot notice | 15th March 2023 | | | |
| Item of Special Resolution passed through the Postal Ballot | Reappointment and remuneration of Mr. N Suresh Krishnan (DIN: 00021965) as a Managing Director | Continuation of Directorship of Mr. Dipankar Chatterji (DIN: 00031256) as Non-Executive Independent Director beyond the age of 75 years in his current tenure | Ratification of 'PPL-Employees Stock Option Plan 2021' (ESOP – 2021) | Approval to extend the benefits of "PPL-Employees Stock Option Plan 2021' (ESOP – 2021)" and schemes framed thereunder to eligible employees of the group Company including a subsidiary or associate or of a holding Company of the Company |
| Details of voting pattern | Votes in favour: 617,268,114 (98.52%)<br>Votes against: 9,241,220 (1.48%) | Votes in favour: 617,251,799 (98.52%)<br>Votes against: 9,256,570 (1.48%) | Votes in favour: 543,410,761 (86.74%)<br>Votes against: 83,098,664 (13.26%) | Votes in favour: 543,390,220 (86.73%)<br>Votes against: 83,118,154 (13.27%) |
| Name of the Scrutiniser for conducting Postal Ballot | Mr. Shivaram Bhat, Practicing Company Secretary | | | |
| Date of declaration of result and date of approval | 19th April 2023 and 18th April 2023 | | | |



Annexure - A to the Directors' Report (Contd.)

**12. MEANS OF COMMUNICATION**

The quarterly financial results is published in Business Line, an English daily as well as Surya Prava/Samaja a vernacular daily. The results are also posted on the Company's website: https://www.paradeepphosphates.com/investors/corporate-governance#newspaper-publications.

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

**13. GENERAL SHAREHOLDER INFORMATION**

**a. Annual General Meeting**

The Forty-Second Annual General Meeting of the Company will be held on 25th September 2024 at 4:00 PM **(IST)** through VC.

**b. Financial Year**

Financial Year – 1st April to 31st March

Financial reporting during the year 2024-25:

| Quarter | Declaration of un-audited/audited financial results |
|---|---|
| Results for the quarter ending 30th June 2024 | On or before 14th August 2024 or such prescribed period |
| Results for the half – year ending 30th September 2024 | On or before 14th November 2024 or such prescribed period |
| Results for the quarter ending 31st December 2024 | On or before 14th February 2025 or such prescribed period |
| Audited Annual Results for 2024-25 | On or before 30th May 2025 or such prescribed period |

**c. Record date:** Wednesday, 18th September 2024

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

**e. Listing on the Stock Exchanges**

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

| | |
|---|---|
| BSE Limited (Bombay Stock Exchange)<br>Phiroze Jeejeebhoy Towers<br>Dalal Street, MUMBAI – 400 023 | National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex<br>Bandra (E), MUMBAI – 400 051 |

The Company has paid the annual listing fees to the Stock Exchanges and the custodial fees to NSDL and CDSL for the financial year 2023-24.

**f. Stock Code**

BSE Limited: 543530

National Stock Exchange of India Limited: PARADEEP

International Standard Identification Number (ISIN): INE088F01024

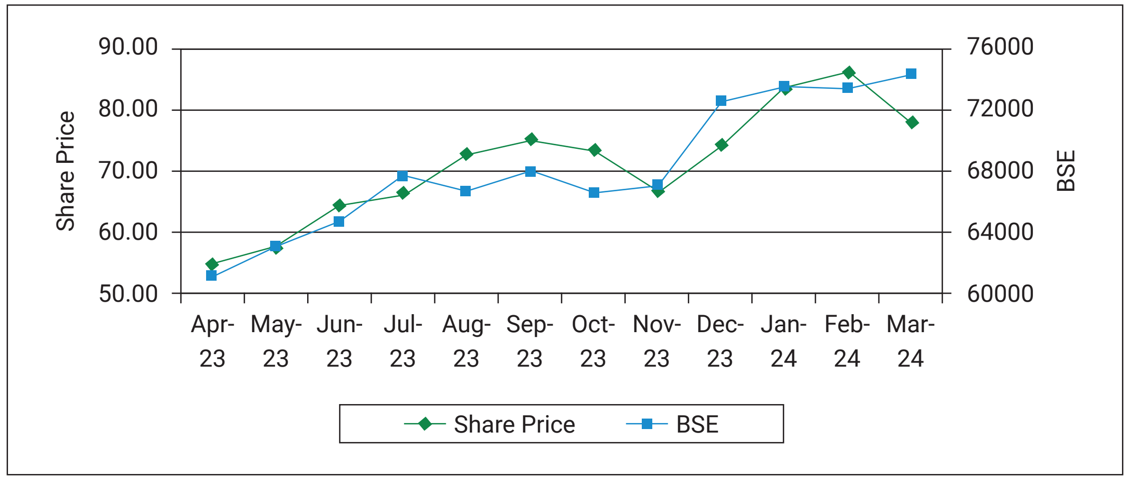
**g. Market Price Data**

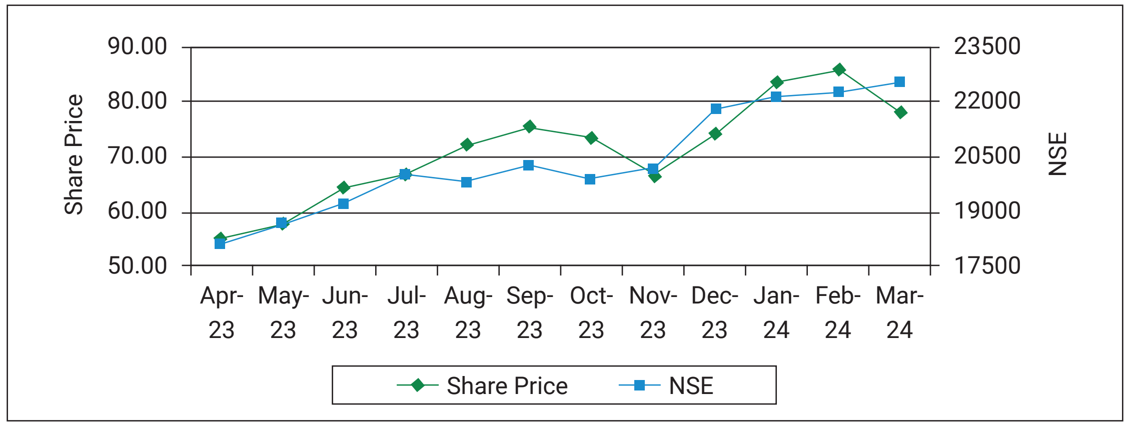
The monthly high and low quotations at BSE and NSE during the year under review are given below:

| Month & Year | BSE | | NSE | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2023 | 54.99 | 50.30 | 55.00 | 50.25 |
| May 2023 | 57.50 | 51.60 | 57.50 | 51.65 |
| June 2023 | 64.43 | 53.56 | 64.40 | 53.50 |
| July 2023 | 66.57 | 60.63 | 66.65 | 60.75 |
| August 2023 | 72.90 | 59.00 | 72.00 | 59.10 |
| September 2023 | 75.34 | 64.69 | 75.40 | 64.75 |
| October 2023 | 73.51 | 58.70 | 73.55 | 58.65 |
| November 2023 | 66.70 | 62.10 | 66.70 | 62.00 |
| December 2023 | 74.13 | 64.80 | 74.20 | 64.75 |
| January 2024 | 83.51 | 67.80 | 83.50 | 67.80 |
| February 2024 | 85.90 | 72.74 | 85.90 | 72.60 |
| March 2024 | 77.93 | 64.69 | 78.00 | 64.10 |

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

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




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



Annexure - A to the Directors' Report (Contd.)

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

**j. Registrars and Share Transfer Agents**

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

**k. Shareholding Pattern as on 31st March 2024**

| Category | No. of Equity Shares | % of shareholding |
|---|---|---|
| Promoters & Promoters Group | 456,942,507 | 56.08 |
| Insurance Companies | 34,899,520 | 4.28 |
| Mutual Funds | 165,551,413 | 20.32 |
| Foreign Portfolio Investors | 13,265,757 | 1.63 |
| Private Corporate Bodies | 6,889,460 | 0.84 |
| Public | 129,522,397 | 15.89 |
| NRIs | 2,685,230 | 0.33 |
| Others | 4,983,169 | 0.61 |
| **Total** | | **100.00** |

**Distribution of shareholding as on 31st March 2024**

| | No. of shareholders | % of shareholders |
|---|---|---|
| 1 – 500 | 203,100 | 83.53 |
| 501 - 1000 | 20,818 | 8.56 |
| 1001 - 2000 | 10,244 | 4.21 |
| 2001 - 3000 | 3,156 | 1.30 |
| 3001 - 4000 | 1,341 | 0.55 |
| 4001 - 5000 | 1,766 | 0.73 |
| 5001 - 10000 | 1,562 | 0.64 |
| 10001 & above | 1,158 | 0.48 |
| **Total** | **243,145** | **100.00** |

**l. Dematerialisation of shares and liquidity**

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

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

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

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

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

p. **Address for Correspondence**

| Corporate Office | Registrars and Transfer Agents |
|---|---|
| Paradeep Phosphates Limited | M/s. Link Intime India Private Limited |
| 3rd Floor, Adventz Centre 28 Union Street, Off Cubbon Road, Bengaluru - 560001, Karnataka, India | 247 Park, C – 101, 1st Floor, L.B.S. Marg, Vikhroli – (West) Mumbai – 400 083 |
| Phone: +91 80-46812500/55 | Phone: +91 022- 49186200 |
| Email: cs.ppl@adventz.com | Email: rnt.helpdesk@linkintime.co.in |

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

q. **Credit ratings**

- Agency - ICRA Limited
- Instrument - Line of credit
- Rating - ICRA A (long term scale)

  ICRA A1 (short term scale)
- Outlook - Watch with developing Implications

## 14. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions

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

b. Details of non-compliance by the Company, penalties, strictures

The Company has complied with all the statutory requirements comprised in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and there were no penalty / strictures were imposed on the Company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

c. The Company has a Whistleblower Policy closely monitored by the management. No personnel has been denied access to the Audit committee.

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

e. The Company does not have any subsidiary and hence policy on determining material subsidiaries is not applicable.

f. The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the Policy on Related Party Transactions and the same is placed on website of the Company https://www.paradeepphosphates.com/uploads/content/rptpolicynew1677900136.pdf.

g. The subsidy mechanism applicable for Urea appropriately recognises commodity price fluctuations in respect of the required inputs. Similarly, subsidy mechanism under Nutrient Based Subsidy scheme applicable for DAP, MOP and other complex fertilizers and the market realisation reflect the fluctuations in the respective commodity prices.

h. The Company has not raised any funds through preferential allotment or qualified institutions placement.

i. Certification from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this Report.

j. The Board has accepted all the recommendations of the various committees of the Board, in the relevant financial year.



Annexure - A to the Directors' Report (Contd.)

k. Total fees for all services to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is given in Note No.27 to the Financial Statements.

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

   i. number of complaints filed during the financial year: Nil

   ii. number of complaints disposed off during the financial year: Nil

   iii. number of complaints pending as on end of the financial year: Nil

m. The Company has adopted para C and E of Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

n. The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

o. There are no shares in the demat suspense account or unclaimed suspense account.

p. The Company has not given any Loans and advances in the nature of loans to firms/companies in which Directors are interested.

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# ANNEXURE - B TO THE DIRECTORS' REPORT

**Certificate on Corporate Governance**

To
The Members,
**Paradeep Phosphates Limited**

We have examined the compliance of conditions of Corporate Governance by Paradeep Phosphates Limited, for the financial year ended on 31st March 2024, as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance with conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation process adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Sunita Jyotirmoy & Associates
(Formerly known as Sunita Mohanty & Associates)

CS JYOTIRMOY MISHRA
FCS 6556, COP: 6022
UDIN: F006556F000370623

Date: 15th May 2024
Place: Bhubaneswar

# ANNEXURE - C TO THE BOARD'S REPORT

**DECLARATION BY THE MANAGING DIRECTOR**

Pursuant to Regulation 26(3) of SEBI (LODR) Regulations, 2015, I, N Suresh Krishnan, Managing Director of Paradeep Phosphates Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2023-24.

**N Suresh Krishnan**
Managing Director
DIN: 00021965

Date: 15th May 2024

# ANNEXURE - D TO THE DIRECTORS' REPORT

**Certificate by a company secretary in practice**

[Pursuant to clause (i) of point 10 of para C of Schedule V of Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Paradeep Phosphates Limited** ('the Company') bearing **CIN: L24129OR1981PLC001020** and having its registered office at 5th Floor, Orissa State Handloom Weavers' Co-operative Building, Pandit J. N. Marg, Bhubaneswar-751001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of below mentioned Directors in the Board of the Company Paradeep Phosphates Limited have been disqualified from being appointed or continuing as Directors of the Company by Securities Exchange Board of India or Ministry of Corporate Affairs in writing.

| Name | DIN | Date of Appointment in Company |
|---|---|---|
| Saroj Kumar Poddar | 00008654 | 5th February 2014 |
| Narayanan Suresh Krishnan | 00021965 | 16th February 2020 |
| Dipankar Chatterji | 00031256 | 3rd August 2021 |
| Subhrakant Panda | 00171845 | 31st January 2022 |
| Satyananda Mishra | 01807198 | 4th November 2020 |
| Soual Mohamed | 08684762 | 3rd February 2020 |
| Karim Lotfi Senhadji | 09311876 | 31st January 2022 |
| Rita Menon | 00064714 | 27th June 2023 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sunita Jyotirmoy & Associates

Jyotirmoy Mishra, Partner
Company Secretary in practice
C.P. No.-6022
UDIN: F006556F000370711

Place: Bhubaneswar
Date : 15th May 2024

# ANNEXURE - E TO THE DIRECTORS' REPORT

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

**To,**
**The Members**
Paradeep Phosphates Limited
**5th Floor, Orissa State Handloom**
**Weaver's Co-operative Building,**
**Pandit J. N. Marg, Bhubaneswar-751001**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Paradeep Phosphates Limited, (hereinafter called the Company) bearing CIN: L24129OR1981PLC001020, and having it's registered office at 5th Floor, Orissa State Handloom Weavers' Co-operative Building, Pandit J. N. Marg, Bhubaneswar-751001. 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, minutes 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, we hereby report that in our 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 listed 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 Paradeep Phosphates Limited ("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 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;

   d. The Securities and Exchange Board of India (Share based Employee Benefits & Sweat Equity) Regulations, 2021;

   e. The Securities and Exchange Board of India (Issue and listing of Non-convertible Securities) Regulations, 2021; (Not applicable to the Company during audit period)

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client; (Not applicable to the Company during audit period)

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;(Not applicable to the Company during audit period) and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during audit period)





vi. The applicable environmental laws and laws specifically applicable to the Company like :

   a. The Fertilizers (Control) Order, 1985;

   b. The Fertilizer (Movement Control) Order, 1973;

   c. The Fertilizer (Control) (Organic, Inorganic and Mixed) Order, 1985;

   d. Legal Metrology Act, 2009;

   e. Insecticides Act, 1968;

   f. Essential Commodities Act;

   g. Indian Boilers Act;

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India;

(b) Listing regulations with BSE and NSE as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

i. Pursuant to section 5 of Environment Protection Act 1986, the CPCB has issued the closure of operation notice to the plant located at Paradeep, Odisha till the directions are complied with and written permission to resume the operation is obtained from CPCB. However, the management informed that, the plant was under annual maintenance shutdown during the said period and hence, there was no significant financial impact on its operation. Further, CPCB vide its letter dated 29th April 2024, has conditionally revoked the closure direction for 90 days and accordingly, the plant has resumed its operation.

ii. The Department of Legal Metrology, Medchal – Malkajgiri District, Telangana has levied a fine of ₹ 50,000/- on 25th January 2024 for deficiency in the quantity contained in the two bags. (Below the maximum permissible under Legal Metrology Act, 2009).

**We further report that**

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

We further report that based on the information provided by the Company and its officers during the conduct of the audit, and also on the review of compliance reports by respective department heads and the Managing Director, duly taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable industry specific laws and other general laws.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and for urgent meetings at shorter notice with proper procedure being followed, 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.

We further report that during the audit period the Board has approved a merger proposal of M/s. Mangalore Chemicals & Fertilizers Limited, a listed Company with the Company.

We further report that during the audit period, the Company has issued Equity shares to eligible employees in accordance to the terms of PPL – Employee Stock Option Plan, 2021.

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

For Sunita Jyotirmoy & Associates

Jyotirmoy Mishra, Partner
Company Secretary in practice
C.P. No.-6022
UDIN- F006556F000370832

Place: Bhubaneswar
Date : 15th May 2024

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

Annexure - E to the Directors' Report (Contd.)

**Annexure A**

To,
Paradeep Phosphates Limited
5th Floor, Orissa State Handloom
Weaver's Co-operative Building,
Pandit J. N. Marg, Bhubaneswar-751001

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on 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 the 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 Sunita Jyotirmoy & Associates

Jyotirmoy Mishra, Partner
Company Secretary in practice
C.P. No.-6022
UDIN- F006556F000370832

Place: Bhubaneswar
Date : 15th May 2024

# ANNEXURE - F TO THE DIRECTORS' REPORT

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

**(A) Conservation of Energy**

**Paradeep Plant**

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

- Retrofitting of 16 MW turbo generator completed & production started in July-2023. This will increase the Low pressure steam generation to 70 TPH from 55 TPH, which will cater the need of phosphoric acid evaporators. Further to this, it will generate extra 10.25 MHW of electricity annually.
- In SAP- A & B, cooling tower pump –A was replaced in March-24 with low capacity pump (from 460 KW to 300 KW) to meet the present requirement & to get the saving in terms of power consumption. Yearly saving estimated based on 330 days running will be around 1,200 MWH.
- Power consumption from solar source (by installed 255 KW solar panel) for 2023-24 was 229,299 KWH.
- Common Condensate recovery system developed for ammonia vaporiser steam was commissioned in Aug 2023, which helped in recovering Condensate about 50,400 $m^3$ annually. With this recovery of steam condensate achieved up to 84%.
- Upgradation of old motors to energy efficient motors of IE3 grade continuing in existing plant. Total 252 motors were upgraded in 2023-24.

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

- Power generation from Solar energy is continued in PPL township.

**Goa Plant**

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

- In ammonia plant, both the ammonia convertor baskets are changed from two bed configuration to /casale's Axial–radial 3 bed configuration. The out let ammonia concentration is increased by 3% points. Due to higher conversion and hence higher outlet temp, a High pressure (SX) boiler is installed at the outlet of the convertor which generates approximately 10 MTPH of SX steam (saturated). The higher conversion in the convertors has also resulted into decrease in the synthesis loop pressure by 25-27 $kg/cm^2$ g for similar loads. The Specific Energy consumption is reduced by 0.31-0.32 Gcal/MT Ammonia. The impact on Urea Specific Energy consumption is 0.18 Gcal/MT Urea.
- A new casale design axial radial basket is installed in High Temperature Shift (HTS) convertor. The pressure drop is reduced by 0.4-0.5 $kg/cm^2$ for similar loads. As a result of the reduction in pressure drop in the front end, the synthesis gas compressor, suction pressure is increased by 0.4-0.5 $kg/cm^2$ which in turn has resulted in the estimated steam saving of approximately 1.5 to 2 MTPH.
- Primary reformer – Ceramic Veneer modules are replaced with new improved design. The furnace outer wall temperature is reduced by approx. 10 Deg C. The estimated energy saving is 0.1 Gcal/Hr which corresponds to fuel saving of 10-13 $Sm^3/hr$
- Further, the phase-2 of the Energy Saving Project in the Ammonia Plant is already initiated. The synthesis compressor train revamp along with Air compressor turbine replacement will be executed by December 2025. The expected saving in Energy post implementation is approx. 0.5-0.52 Gcal/MT Ammonia. The impact on Urea Specific energy consumption is approximately. 0.3 Gcal/MT Urea.
- In order to reduce Urea Specific Energy further by Approx. 0.4 Gcal/MT urea, implementation of GT+HRSG is conceptualised to implement by March 2027 along with complete implementation of PDP in Ammonia Plant.
- Work order placement for setting up a Bio Gas unit from Canteen waste is in progress to reduce LPG consumption in Canteen.

Annexure - F to the Directors' Report (Contd.)

- Upgradation of old motors to Energy Efficient motors is continued in existing plants.
- Phase-wise replacement of conventional lights with LED lights continued in the complex.
- Steam system of the entire complex has been Audited through M/s Armstrong to optimise condensate and efficient hot water recovery. The recommendations of the Audit are Implemented.

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

- Vendor selection for Power generation from Solar energy by implementing floating solar panels on captive DAM is in process.

**(B) Technology Absorption**

- In the *Water Treatment Plant,* old SCADA system is replaced with new upgraded SCADA system.
- Ammonia Convertor Topsoe's S200 basket is changed to Casales Axial-radial 3 bed configuration in Dec 2023.
- M/ Casale Design Axial-radial basket is installed in High Temperature Shift Convertor in Dec 2023.

**C. Foreign Exchange earnings & outgo**

(₹ In Crores)

| | 2023-24 | 2022-23 |
|---|---|---|
| Foreign exchange outgo | 8,095.39 | 7,986.13 |
| Foreign exchange earnings | 317.09 | 289.93 |

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

**S. K. PODDAR**
**Chairman**
DIN: 00008654

**Date: 15th May 2024**

# ANNEXURE - G TO THE DIRECTORS' REPORT

## ANNUAL REPORT ON CSR ACTIVITIES

**1. Brief outline on CSR Policy of the Company. CSR Policy of the Company includes the plans as mentioned below:**

The Corporate Social Responsibility Policy ("CSR Policy") of the Company encompasses the culture of trust and caring while discharging its Social Responsibility to meet the expectation of all stakeholder and society at large. As a responsible corporate, the Company contributes towards inclusive growth and development by empowering communities focusing the Socio-Economic and Environmental requirements.

The CSR policy framework details the mechanism for undertaking various programs in accordance with section 135 of the companies Act 2013 for the benefit of the community. Over the years CSR project area has expanded to include Aspirational District, Rayagada benefitting tribal communities and plant surrounding locations of Goa. The CSR activities focuses to address key aspects broadly in four categories:

- WaSH, Nutrition & Healthcare
- Education
- Empowerment
- Environment

The contents of the CSR Policy have been displayed on the Company's website. https://www.paradeepphosphates.com/pdf/CSR%20Policy.pdf

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. N. Suresh Krishnan@ | Chairman (Managing Director) | 2 | 2 |
| 2. | Mrs. Kiran Dhingra# | Chairperson (Independent Director) | 2 | 2 |
| 3. | Mr. Karim Lotfi Senhadji | Member (Non-Executive Director) | 2 | 1 |
| 4. | Mrs. Rita Menon$ | Member (Independent Director) | NA | NA |

@chairman w.e.f. 27th July 2023, #upto 26th July 2023, $w.e.f. 27th July 2023

**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.**

Weblink to CSR Policy and CSR committee: https://www.paradeepphosphates.com/investors/corporate-governance

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

The CSR programs of the Company do not qualify for the impact assessment mandates as per the CSR rules of 2021.

However, the Company has voluntarily taken steps and initiated impact assessments through an independent agency, Grant Thornton Bharat, for the projects undertaken in the last three financial years. The Holistic Rural Development Programme which began in 2018 and has benefitted more than 50,000 people in rural areas across 32 villages in Kujang block of Jagatsinghpur district through agriculture, education and infrastructure building, women empowerment, healthcare access and social engineering. This report assesses the impact created in 20 out of 36 villages across the gram panchayats. A multi-layered approach, including, was employed to document community perceptions. A brief summary of the aforesaid Impact Assessment is given herein below:

**Approach and Methodology:** Structured quantitative surveys, qualitative interviews, and field observations were undertaken with 558 community members randomly sampled from the intervention villages to understand the impact that the Programme has created. Additionally, in-person qualitative interactions were carried out with 75 secondary stakeholders such as village leaders, implementation teams, Govt. officials etc. to gather in-depth perspectives of the Programme benefits.

**Livelihood Support:**

- The study findings indicate that PPL's support has helped improve the overall quality of lives for beneficiaries.
- 93% stated an increase in their monthly income levels. This indicates a positive impact of the programmes to help improve overall earning capacity.
- Additionally, 65% also stated that they learnt new skills through the livelihood initiatives. This opens new avenues of employment and income generation.

**Mobile Healthcare Unit (MHU):**

- Before PPL's support, 56% beneficiaries indicated that they had to travel a minimum of 6 to10 kms to access the nearest healthcare facility. With the MHU, travel time and travel cost have reduced.
- Beneficiaries also highlighted the key benefits of the MHU. 92% stated the affordability of services, while 91% highlighted the regular presence of doctors and staff members.
- The study also revealed a reduction in out-of-pocket medical expenses. 86% beneficiaries stated that their annual healthcare expenses are now under ₹ 1,000 as compared to 22% before the programme.

**Digital Classes:**

- The study found that the implementation of smart classrooms in government schools has improved the learning environment for students.
- 81% students stated that they are "highly satisfied" with the content of the smart classes.
- Additionally, 90% of students reported that using smart gadgets in the classroom has made subjects easier for them to understand.
- Moreover, the teacher trainings help integrate technology into the classroom. Smart tools encourage teachers to use more interactive and creative teaching approaches.

**WASH:**

- The WASH projects concentrate on strengthening sanitation and hygiene standards in Anganwadi centres and government schools.
- The study revealed that the provision of child-friendly toilets and handwashing stations in Anganwadi centres has facilitated easier access to these amenities for children and centre staff. 100% students confirmed that the toilets have running water facilities.
- Similarly, the construction of toilets in schools with amenities such as uninterrupted water and handwash soaps has contributed to better sanitation practices among students.

The projects were implemented based on the identification of specific community needs. Additionally, these also place specific emphasis on identifying women and highly vulnerable community members who would benefit the most. Moreover, PPL executed well-tailored training sessions under each project to empower beneficiaries and ensure better knowledge transfer and sustainability. Overall, PPL's CSR programmes have contributed to improvement in the overall quality of life.

**5.** (a) Average net profit of the Company as per section 135(5)- ₹ **4,422,479,000**

(b) Two percent of average net profit of the Company as per section 135(5)- ₹ **88,449,580**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **- NIL**



Annexure - G to the Directors' Report (Contd.)

(d) Amount required to be set off for the financial year, if any **NIL**

(e) Total CSR obligation for the financial year (7a+7b -7c). ₹ **88,449,580**

**6.** **(a)** Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **98,770,618**

(b) Amount spent in Administrative Overheads= ₹ **2,562,532.48**

**(c)** Amount spent on Impact Assessment, if applicable= ₹ **2,235,000**

**(d)** Total amount spent for the Financial Year (8b+8c+8d+8e) = ₹ **103,568,150**

**(e)** CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount in ₹ | Date of transfer | Name of the Fund | Amount. | Date of transfer. |
| 103,568,150 | NIL | NA | NA | NA | NA |

(f) Excess amount for set off, if any

| Sr. No. | Particular | Amount (in ₹) |
|---|---|---|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 88,449,580 |
| (ii) | Total amount spent for the Financial Year | 103,568,150 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 15,118,570 |
| (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)] | 15,118,570 |

**7.** **Details of Unspent CSR amount for the preceding three financial years:**

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of Transfer | |
| 1 | 2022-23 | 8,526,708 | 8,526,708 | NA | NA | NA | NA |
| 2 | 2021-22 | NIL | Not Applicable | | | | |
| 3 | 2020-21 | NIL | Not Applicable | | | | |

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

Financial Year: No

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

Not Applicable

**N. Suresh Krishnan - Managing Director**
**Chairperson, CSR Committee**

**Rita Menon- Independent Director**
**Member CSR Committee**

**Date :15th May 2024**

# ANNEXURE - H TO THE DIRECTORS' REPORT

A. **Statement of particulars pursuant to the provisions of section 197 (12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.**

**I The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24:**

| Sr. No. | Name of the Director | Ratio of the remuneration to the median remuneration of the employees |
|---|---|---|
| 1 | Saroj Kumar Poddar | - |
| 2 | N Suresh Krishnan | 57.4 :1 |
| 3 | Soual Mohamed | - |
| 4 | Karim Lotfi Senhadji | - |
| 5 | *Kiran Dhingra# | - |
| 6 | *Satyananda Mishra | - |
| 7 | *Dipankar Chatterji | - |
| 8 | *Subhrakant Panda | - |
| 9 | *Rita Menon@ | - |

#upto 26th July 2023, @w.e.f. 27th June 2023

*Were paid sitting fees for attending meetings and remuneration as approved by the members in the AGM held on 12th September 2022

**II The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year;**

| Sr. No. | Name of the Director | Percentage increase in remuneration |
|---|---|---|
| 1 | Saroj Kumar Poddar | Nil |
| 2 | N Suresh Krishnan | 10.00% |
| 3 | Soual Mohamed | Nil |
| 4 | Karim Lotfi Senhadji | Nil |
| 5 | Kiran Dhingra# | Nil |
| 6 | Satyananda Mishra | Nil |
| 7 | Dipankar Chatterji | Nil |
| 8 | Subhrakant Panda | Nil |
| 9 | Rita Menon@ | Nil |
| 10 | Sachin Patil | 20.00% |
| 11 | Bijoy Kumar Biswal | 14.00% |

#upto 26th July 2023, @w.e.f. 27th June 2023

**III The percentage increase in the median remuneration of employees in the financial year:**

7.16%

**IV The number of permanent employees on the rolls of Company:**

There are 1,467 permanent employees on the rolls of the Company





**V Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The median increase in remuneration to employees other than Managerial Personnel was 7.48%

**VI It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company**

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

**S. K. PODDAR**
**Chairman**
**DIN: 00008654**

**Date: 15th May 2024**

# ANNEXURE - I TO THE DIRECTORS' REPORT

**FORM NO. AOC. 1**

Statement containing salient features of the financial statement of Joint Ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

Not Applicable

**Part "B": Joint Ventures/Associates**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associates/Joint Ventures | Zuari Yoma Agri Solutions Limited |
|---|---|
| 1. Latest un-audited Balance Sheet Date | 31st March 2024 |
| 2. Shares of Associate / Joint Ventures held by the Company on the year end | |
| Number . | 512,500 |
| Amount of Investment in Joint Venture | $ 512,500 |
| Extend of Holding % | 50% |
| 3. Description of how there is significant influence | Based on the percentage of holding in the Joint Venture |
| 4. Reason why the joint venture is not consolidated | NA |
| 5. Net worth attributable to Shareholding as per latest audited Balance Sheet | 2,411,227,991 in KYAT |
| 6. Profit / Loss for the year | |
| i. Considered in Consolidation | 399,083,058 in KYAT |
| ii. Not Considered in Consolidation | 399,083,058 in KYAT |

Names of associates or joint ventures which are yet to commence operations - Nil

Names of associates or joint ventures which have been liquidated or sold during the year - Nil.

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

**S. K. PODDAR**
**Chairman**
**DIN: 00008654**

**Date: 15th May 2024**



# INDEPENDENT AUDITOR'S REPORT

**To the Members of Paradeep Phosphates Limited**

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

## Opinion

We have audited the standalone financial statements of Paradeep Phosphates Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

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

## 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.

### Recognition and recoverability of subsidy revenue

See Note 8 and 20 to standalone financial statements

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Company recognizes the subsidy revenue from the Department of Fertilisers, Government of India ('GoI'). The revenue is recognised as per Nutrient Based Subsidy Policy ('NBS Policy') for Phosphatic and Potassic fertilisers and New Pricing Scheme for Urea at the time of sale of goods to its customers.<br><br>Subsidy revenue is recognized on the basis of rates notified from time to time by the Department of Fertilisers, Government of India in accordance with NBS Policy and New Pricing Scheme. It is recognised on the basis of quantity of fertilisers sold by the Company. Further, recognition and realisability of subsidy income is subject to various conditions as per the GoI Policy. During the year, the Company has recognised ₹ 591,975.29 lakhs as subsidy revenue and out of this an amount of ₹ 190,560.66 lakhs is receivable as on 31 March 2024. | In view of the significance of the matter, we performed the following procedures:<br>• evaluated the design, implementation and operating effectiveness of internal controls for recognition and recoverability of subsidy revenue<br>• read the relevant notifications and circulars issued by the GoI from time to time with regard to subsidy policies<br>• tested the subsidy rates considered by the Company for the product subsidy with the applicable circulars and notifications and relevant available pricing data of fertilisers and raw materials<br>• reconciled the sales quantity considered for subsidy revenue with the actual sales quantity made by the Company<br>• reconciled the quantities considered for estimation of subsidy revenue with quantities as per Integrated Fertilizer Management System |

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| In view of the significance of subsidy revenue and significant judgements involved around the interpretation and satisfaction of conditions specified in GoI policy, we have considered recognition and recoverability of subsidy income as a key audit matter. | • evaluated the Company's assessment regarding compliances with relevant conditions as specified in the notifications and policies relating to subsidy<br>• understood and challenged the basis of judgements made in relation to the relevant notifications/circulars including past precedence and subsequent evidence, as applicable<br>• for evaluating the recoverability of receivables, tested the ageing analysis and assessed the information used to determine the recoverability of receivables by considering the historical trends and subsequent collections |
| **Impairment of Goodwill**<br>See Note 44(b) to standalone financial statements | |
| The Company tests goodwill for impairment annually or more frequently when there is an indication of impairment of the cash generating unit to which goodwill relates.<br>The annual impairment testing of goodwill involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, impairment assessment of goodwill is considered a key audit matter | Our audit procedures relating to impairment testing included the following:<br>• Evaluated design and implementation and tested operating effectiveness of controls.<br>• Assessed the valuation methodology and challenged the assumptions such as discount rate, revenue growth rate, terminal growth rate used with the assistance of our valuation specialists.<br>• Performed sensitivity analysis of key assumptions.<br>• Evaluated the adequacy of disclosures in respect of the same in the financial statements. |

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

Independent Auditor's Report (Contd.)

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors on 31 March 2024 and 01 April 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. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(b) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 13 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. 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 except that audit trail was not enabled at the database level for accounting software to log any direct data changes. Further the feature of audit trail was not enabled at the application layer of the accounting software for data changes performed by certain users. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**Jayanta Mukhopadhyay**
*Partner*
Place: Bengaluru Membership No.: 055757
Date: 15 May 2024 ICAI UDIN:24055757BKEYKL7284

# ANNEXURE A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

| Description of property | Gross carrying value (₹ in lakhs) | Held in the name of | Whether promoter, director or their relative or employee | Period held- indicate range, where appropriate | Reason for not being held in the name of the Company. Also indicate if in dispute |
|---|---|---|---|---|---|
| Freehold land | 27.94 | Not applicable | Not applicable | 1982-85 | Delay on account of administrative formalities |

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability





partnership or any other parties during the year. The Company has made investments in other parties, in respect of which the requisite information is as below. The Company has not made any investments in companies, firms or limited liability partnership.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(f) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of income tax, provident fund and labour welfare fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 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 and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Income-tax Act, 1961 | Income tax demand | 32.77 | 2016-17 | Orissa High Court | |
| Income-tax Act, 1961 | Income tax demand | 37.21* | 2016-17 | Commissioner of Income Tax (Appeals) | *Net of amount paid under protest of ₹ 13.26 lakhs |
| Income-tax Act, 1961 | Income tax demand | 15.78 | 2015-16 | Commissioner of Income Tax (Appeals) | |
| Income-tax Act, 1961 | Income tax demand | 11.18 | 2015-16 | Commissioner of Income Tax (Appeals) | |
| Central Goods and ServicesTax Act, 2017 | Goods and Services Tax Demand | 181.82 | July 2017 to January 2018 | Additional Commissioner, GST | |
| Central Sales Tax Act, 1956 | CST Demand on branch transfers and disallowance of export sales | 8420.51* | 2005-06 | Joint Commissioner of CT & GST, Paradeep | *Net of amount paid under protest of ₹ 2000 lakhs |
| Orissa Value Added Tax | Disallowance of input tax credit | 47.80* | April 2016 - June 2017 | Joint Commissioner of CT & GST, Paradeep | *Net of amount paid under protest of ₹ 4.16 lakhs |
| Central Sales Tax Act, 1956 | Demand of central sales tax | 15.44* | 2013-14 | Sales Appellate Tribunal Tax | *Net of amount paid under protest of ₹ 36.04 lakhs |
| Finance Act 1994 | Service demand tax | 79.90* | April 2016 - June 2017 | Customs Excise Service Appellate Tribunal and Tax | *Net of amount paid under protest of ₹ 8.90 lakhs |
| Central Excise Act,1944 | Excise duty | 216.58 | 2010-11 | Customs Excise Service Appellate Tribunal and Tax | *Net of amount paid under protest of ₹ 17.56 lakhs |
| Orissa Entry Tax Act, 1999 | Entry Penalty Tax | 178.79 | October 2010 to March 2012 | Joint Commissioner of CT & GST, Paradeep | |



Annexure A to the Independent Auditor's Report (Contd.)

| Name of the statute | Nature of the dues | Amount (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Orissa Entry Tax Act, 1999 | Entry Tax Interest | 1,544.47* | 2007 to 2012, 2014 to September 2015 | Orissa High Court | *Net of amount paid under protest of ₹ 508 lakhs |
| Orissa Entry Tax Act, 1999 | Entry Tax Interest and Penalty | 259.41 | October 2009 | Commissioner of Sales Tax & GST | |
| Orissa Entry Tax Act, 1999 | Entry Tax Demand | 418.70 | March 2006 to July 2008 | Orissa High Court | |
| Orissa Entry Tax Act, 1999 | Entry Tax Demand | 5,517.04* | 2002-03 to September 2015 | National Company Law Appelate Tribunal | *Net of amount paid under protest of ₹ 35.21 lakhs |
| Odisha Irrigation Act, 1959 | Interest on water charges | 3,608.87 | 2008-2022 | Orissa High Court | |
| Custom Act,1962 | Demand on rejection of transaction value on import of MOP | 63.92* | 2006 to 2008 | Customs Excise and Service Tax Appellate Tribunal | *Net of amount paid under protest of ₹ 7.10 lakhs |
| Custom Act,1962 | Denial of concessional rate basic custom duty | 284.74 | 2001-2006 | Customs Excise and Service Tax Appellate Tribunal | |
| Custom Act,1962 | Denial of concessional rate basic custom duty | 148.28 | 2002-2004 | Customs Excise and Service Tax Appellate Tribunal | |
| Custom Act,1962 | Penalty towards denial of concessional rate Counter veiling duty | 25.10* | 2010-2012 | Customs Excise and Service Tax Appellate Tribunal | *Net of amount paid under protest of ₹ 1.00 lakhs |
| Goa Green Cess | Non registerigund er Goa green Cess Act 2013 | 4,813.96* | 2013-2022 | Addl. Commissioner, CT and GST, Goa | *Net of amount paid under protest of ₹ 534.89 lakhs |
| Central Goods and Services Tax Act, 2017 | Penalty towards wrongfu availmentof transitional credit | 0.81 | 2017-18 | Additional Commissioner (A), GST, West Bengal | *Net of amount paid under protest of ₹ 0.09 lakh |
| Central Goods and ServicesTax Act, 2017 | Goods and services tax demand | 50.94* | 2017-18 to 2019-20 | Additional Commissioner (A), CT & GST | *Net of amount paid under protest of ₹ 2.65 lakhs |
| Central Goods and ServicesTax Act, 2017 | Goods and services tax demand | 2.36 | 2017-18 | Additional Commissioner Appeals, CT & GST | |
| Central Goods and ServicesTax Act, 2017 | Goods and services tax demand | 215.82* | 2017-18 | Additional Commissioner Appeals, CT & GST | *Net of amount paid under protest of ₹ 11.36 lakhs |

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.



Annexure A to the Independent Auditor's Report (Contd.)

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**Jayanta Mukhopadhyay**
*Partner*
Place: Bengaluru Membership No.: 055757
Date: 15 May 2024 ICAI UDIN:24055757BKEYKL7284

# ANNEXURE B to the Independent Auditor's Report on the standalone financial statements of Paradeep Phosphates Limited for the year ended 31 March 2024

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### Opinion

We have audited the internal financial controls with reference to financial statements of Paradeep Phosphates Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Jayanta Mukhopadhyay**
*Partner*

Place: Bengaluru
Membership No.: 055757
Date: 15 May 2024
ICAI UDIN:24055757BKEYKL7284

# STANDALONE BALANCE SHEET

**As at 31st March 2024**

*(All amounts are in rupees lakhs, unless otherwise stated)*

| | Notes | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **I. Non-current assets** | | | |
| (a) Property, plant and equipment | 4(a) | 3,35,317.89 | 2,79,571.01 |
| (b) Right-of-use assets | 4(c) | 1,790.53 | 1,619.27 |
| (c) Capital work-in-progress | 4(b) | 37,219.28 | 69,686.32 |
| (d) Goodwill | 44(b) | 5,806.94 | 5,806.94 |
| (e) Other intangible assets | 4(d) | 184.50 | 177.84 |
| (f) Investment in associate | 5 | 365.61 | 365.61 |
| (g) Income tax assets(net) | | 5,950.43 | 1,106.62 |
| (h) Other non-current assets | 6 | 3,828.56 | 5,900.04 |
| **Total non-current assets** | | **3,90,463.74** | **3,64,233.65** |
| **II. Current assets** | | | |
| (a) Inventories | 7 | 1,83,082.95 | 2,23,767.72 |
| (b) Financial assets | | | |
| (i) Trade receivables | 8 | 2,72,047.93 | 3,68,973.75 |
| (ii) Cash and cash equivalents | 9(a) | 9,071.79 | 4,303.42 |
| (iii) Bank balances other than (ii) above | 9(b) | 2,730.57 | 6,681.98 |
| (iv) Other financial assets | 10 | 50,419.05 | 33,718.27 |
| (c) Other current assets | 6 | 58,314.22 | 64,048.36 |
| (d) Assets classified as held for sale | 11 | 23.26 | 23.26 |
| **Total current assets** | | **5,75,689.77** | **7,01,516.76** |
| **Total assets (I+II)** | | **9,66,153.51** | **10,65,750.41** |
| **EQUITY AND LIABILITIES** | | | |
| **I. Equity** | | | |
| (a) Equity share capital | 12 | 81,477.86 | 81,449.76 |
| (b) Other equity | 13 | 2,75,003.13 | 2,69,070.79 |
| **Total equity** | | **3,56,480.99** | **3,50,520.55** |
| **II. Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14(a) | 67,650.58 | 61,188.79 |
| (ii) Lease liabilities | 14(b) | 1,722.29 | 1,603.78 |
| (iii) Other financial liabilities | 15 | - | 180.42 |
| (b) Provisions | 16 | 2,621.40 | 2,379.21 |
| (c) Deferred tax liabilities (net) | 17 | 15,085.16 | 10,778.02 |
| **Total non-current liabilities** | | **87,079.43** | **76,130.22** |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14(c) | 3,31,786.96 | 4,01,921.53 |
| (ii) Lease liabilities | 14(b) | 210.89 | 77.32 |
| (iii) Trade payables | 18 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 929.88 | 667.47 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,47,881.85 | 1,90,580.20 |
| (iv) Other financial liabilities | 15 | 22,455.43 | 24,003.11 |
| (b) Other current liabilities | 19 | 12,020.43 | 11,554.50 |
| (c) Provisions | 16 | 7,284.90 | 9,000.56 |
| (d) Current tax liabilities (net) | | 22.75 | 1,294.95 |
| **Total current liabilities** | | **5,22,593.09** | **6,39,099.64** |
| **Total liabilities (1+2)** | | **6,09,672.52** | **7,15,229.86** |
| **Total equity and liabilities (I+II)** | | **9,66,153.51** | **10,65,750.41** |
| Material accounting policies | 2 | | |

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

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date:- 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date:- 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date:- 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date:- 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date:- 15th May 2024



# STANDALONE STATEMENT OF PROFIT AND LOSS

**for the year ended 31st March 2024**

*(All amounts are in rupees lakhs, unless otherwise stated)*

| | | Notes | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|---|
| | **Income** | | | |
| I. | Revenue from operations | 20 | 11,57,511.98 | 13,34,072.19 |
| II. | Other income | 21 | 6,883.51 | 9,107.00 |
| III. | **Total income (I+II)** | | **11,64,395.49** | **13,43,179.19** |
| IV. | **Expenses** | | | |
| | Cost of raw materials consumed | 22 | 7,60,903.84 | 10,43,969.52 |
| | Purchase of stock-in-trade | | 1,05,508.61 | 18,226.12 |
| | Changes in inventories of finished goods, stock-in-trade and work in progress | 23 | 33,431.87 | (877.73) |
| | Employee benefits expense | 24 | 22,978.77 | 21,320.25 |
| | Finance costs | 25 | 36,602.70 | 29,124.25 |
| | Depreciation and amortisation expense | 26 | 21,067.03 | 17,515.31 |
| | Other expenses | 27 | 1,69,885.95 | 1,71,335.01 |
| | **Total expenses (IV)** | | **11,50,378.77** | **13,00,612.73** |
| V. | **Profit before tax (III-IV)** | | **14,016.72** | **42,566.46** |
| VI. | **Tax expense** | | | |
| | - Current tax | 17 | - | 9,629.93 |
| | - Income tax (credit) / charge for the earlier years (net) | 17 | (279.76) | 333.15 |
| | - Deferred tax charge | 17 | 4,372.26 | 2,234.64 |
| | **Total tax expense** | | **4,092.50** | **12,197.72** |
| VII. | **Profit for the year (V-VI)** | | **9,924.22** | **30,368.74** |
| VIII. | **Other comprehensive income / (loss) (net of tax)** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | a) Remeasurement gain/(loss) of the defined benefit plans | | (258.73) | 92.33 |
| | b) Income tax on above | 17 | 65.12 | (23.23) |
| | **Total other comprehensive income/(loss) for the year** | | **(193.61)** | **69.10** |
| IX. | **Total comprehensive income for the year (VII + VIII)** | | **9,730.61** | **30,437.84** |
| X. | **Earnings per equity share (nominal value of ₹ 10 each)** | | | |
| | Basic [in ₹] | 28 | 1.22 | 3.89 |
| | Diluted [in ₹] | 28 | 1.22 | 3.89 |
| | Material accounting policies | 2 | | |

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

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date:- 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date:- 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date:- 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date:- 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date:- 15th May 2024

# STANDALONE STATEMENT OF CASH FLOWS

**for the year ended 31st March 2024**

*(All amounts are in rupees lakhs, unless otherwise stated)*

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|
| **A.** | **Cash flows from operating activities** | | |
| | **Profit before tax** | 14,016.72 | 42,566.46 |
| | *Adjustments for* | | |
| | Depreciation and amortisation expense | 21,067.03 | 17,515.31 |
| | Finance costs | 32,128.33 | 25,151.99 |
| | Interest income | (625.86) | (986.50) |
| | Profit on sale of current investments | (111.58) | (93.36) |
| | Loss on sale / discard of property,plant and equipment (net) | 2,431.13 | 1,511.90 |
| | Loss allowance | 797.88 | 1,239.90 |
| | Bad debts, claims and advances written off | 33.76 | 68.73 |
| | Unspent liabilities/provision no longer required written back | (3,850.13) | (6,883.44) |
| | Foreign exchange fluctuation loss unrealized (net) | 180.32 | 2,586.92 |
| | **Operating cash flow before working capital changes** | **66,067.60** | **82,677.91** |
| | **Changes in working capital** | | |
| | Decrease in inventories | 40,684.77 | 14,748.72 |
| | Decrease/(Increase) in trade receivables | 96,429.76 | (2,42,375.30) |
| | Increase in financial and other assets | (10,696.24) | (4,033.41) |
| | Decrease in trade payables and other current liabilities | (41,241.60) | (74,426.45) |
| | Decrease in provisions | (1,732.20) | (523.43) |
| | **Cash generated from/(used in) operating activities** | **1,49,512.09** | **(2,23,931.96)** |
| | Less: Income taxes paid (net of refunds) | (5,836.25) | (13,735.33) |
| | **Net cash generated from / (used in) operating activities (A)** | **1,43,675.84** | **(2,37,667.29)** |
| **B.** | **Cash flows from investing activities** | | |
| | Proceeds from sale of property, plant and equipment | 38.78 | 37.73 |
| | Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors | (41,150.29) | (43,618.36) |
| | Purchase of business | - | (53,700.00) |
| | Investments in current investments - mutual funds | (1,26,805.24) | (4,40,021.35) |
| | Proceeds from sale of current investments - mutual funds | 1,26,916.82 | 4,95,150.85 |
| | Interest received | 372.52 | 891.16 |
| | Investment in deposits with maturity of more than three months | 3,941.87 | (610.42) |
| | **Net cash used in investing activities (B)** | **(36,685.54)** | **(41,870.39)** |
| **C.** | **Cash flows from financing activities** | | |
| | Proceeds from issue of share capital | 303.53 | 97,506.79 |
| | Proceeds from non-current borrowings | 46,105.98 | 43,921.48 |
| | Repayment of non-current borrowings | (37,308.27) | (18,217.42) |
| | Proceeds from current borrowings | 18,45,800.30 | 14,49,982.82 |
| | Repayment of current borrowings | (19,19,803.14) | (13,21,402.61) |
| | Dividend paid | (4,073.70) | - |
| | Repayment of lease liabilities including interest thereon | (286.73) | - |
| | Interest paid | (32,959.90) | (21,734.06) |
| | **Net cash (used in) / generated from financing activities (C)** | **(1,02,221.93)** | **2,30,057.00** |
| | **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | **4,768.37** | **(49,480.68)** |
| | **Cash and cash equivalents at the beginning of the year** | 4,303.42 | 53,784.10 |
| | **Cash and cash equivalents at the end of the year (refer Note 9(a))** | **9,071.79** | **4,303.42** |

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

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

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date:- 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date:- 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date:- 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date:- 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date:- 15th May 2024



# STANDALONE STATEMENT OF CHANGES IN EQUITY

**for the year ended 31st March 2024**

*(All amounts are in rupees lakhs, unless otherwise stated)*

**(a) Equity share capital**

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Balance at the beginning of the year** | 81,44,97,619 | 81,449.76 | 57,54,50,000 | 57,545.00 |
| Shares issued during the year | 2,81,027 | 28.10 | 23,90,47,619 | 23,904.76 |
| **Balance at the end of the year** | **81,47,78,646** | **81,477.86** | **81,44,97,619** | **81,449.76** |

**(b) Other equity**

| Particulars | As at 31st March 2024 | | | | As at 31st March 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Retained earnings | Securities premium | Share option outstanding reserve | Total other equity | Retained earnings | Securities premium | Share option outstanding reserve | Total other equity |
| **Balance at the beginning of the year** | 1,95,468.76 | 73,404.20 | 197.83 | 2,69,070.79 | 1,65,030.92 | - | - | 1,65,030.92 |
| Profit for the year | 9,924.22 | - | - | 9,924.22 | 30,368.74 | - | - | 30,368.74 |
| Dividend paid | (4,073.70) | - | - | (4,073.70) | - | - | - | - |
| Premium received on issue of shares during the year | - | 135.91 | - | 135.91 | - | 73,404.20 | - | 73,404.20 |
| Equity settled share based payments | - | - | 185.55 | 185.55 | - | - | 197.83 | 197.83 |
| Options exercised | - | - | (46.03) | (46.03) | - | - | - | - |
| Options lapsed | 4.07 | - | (4.07) | - | - | - | - | - |
| Other comprehensive income for the year * | (193.61) | - | - | (193.61) | 69.10 | - | - | 69.10 |
| **Total for the year** | **5,660.98** | **135.91** | **135.45** | **5,932.34** | **30,437.84** | **73,404.20** | **197.83** | **1,04,039.87** |
| **Balance at the end of the reporting year** | **2,01,129.74** | **73,540.11** | **333.28** | **2,75,003.13** | **1,95,468.76** | **73,404.20** | **197.83** | **2,69,070.79** |

* Other comprehensive income included under retained earnings represents remeasurement of defined benefit plans (net of tax).

Refer note 13 for details on the nature and purpose of the reserve.

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

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date:- 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date:- 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date:- 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date:- 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date:- 15th May 2024

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS



## CORPORATE AND GENERAL INFORMATION

Paradeep Phosphates Limited ('the Company') is a public company domiciled and headquartered in Bhubaneswar, India. Zuari Agro Chemicals Limited (ZACL) holds 28.05% of equity shares of Paradeep Phosphates Limited ('the Company') through its joint venture Zuari Maroc Phosphates Private Limited (ZMPPL) and is its largest shareholder alongwith OCP S.A.. PPL and ZACL have certain directors in common. It is incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacture of Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades, and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District Jagatsinghpur, Odisha and at Zuari Nagar, Goa. The Company is also involved in trading of fertilisers, ammonia, neutralised phospo gypsum, micronutrient and other materials. The Company caters to the demands of farmers all over the country through its "Navratna" brand of fertilisers. The Company has one associate incorporated in Myanmar under the name of Zuari Yoma Agri Solutions Limited.

**1. Basis of preparation**

(a) These financial statements are prepared in accordance with Indian Accounting Standards (IND AS), under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values and net defined benefit (asset)/ liability which is measured at at present value of defined benefit obligations less fair value of plan assets, notified under the provisions of the Companies Act 2013 ("the Act") to the extent applicable. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting Standards), Rule, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied to all the years except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

(b) These Standalone Financial Statements are presented in Indian Rupees ("₹"), which is also the Company's functional and presentation currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

**2. Material accounting policies**

**(i) Classification of assets and liabilities into current/ non-current**

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realised within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

**(ii) Property, plant and equipment**

Property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, taxes, borrowing costs, if recognition criteria are met, and any directly attributable cost incurred to bring the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Replaced assets held for disposal are stated at lower of their carrying amount and fair value less costs to sell, and depreciation on such assets ceases and shown under "Assets held for sale".

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalised. Other indirect expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period, if any, is deducted from the total of the indirect expenditure.

**(iii) Depreciation on property, plant and equipment**

a. Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the Management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful life to provide depreciation on its property, plant and equipment based on technical evaluation done.

| Class of Assets | Useful Lives estimated by the management (Years) | Useful Lives as per Schedule II to the Companies Act, 2013 (Years) |
|---|---|---|
| Buildings | 30/60 | 30/60 |
| Roads and culverts | 3 to 5 | 3 to 5 |
| Plants and equipments (Continuous process plant) | 25 | 25 |
| Plant and equipments (Non continuous process) | 5 to 20 | 15 |
| Furniture, Fixtures & fittings | 2 to 10 | 10 |
| Vehicles | 8 | 8 |
| Office equipments | 3 to 6 | 3 to 6 |
| Railway siding | 15 | 15 |

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. These are estimated by the management supported by independent assessment by professionals.

The Company has used the following useful life to provide depreciation on its property, plant and equipment relating Goa plant acquired as on 1st June 2022 based on technical evaluation done.

| Class of Assets | Useful Lives estimated by the management (Years) |
|---|---|
| Buildings | 11 to 43 |
| Plants and equipments | More than 1 and upto 25 |
| Furniture, Fixtures & fittings | More than 1 and upto 10 |
| Vehicles | More than 1 and upto 10 |
| Office equipments | More than 1 and upto 6 |
| Railway siding | 3 to 30 |

b. Premium on land held on leasehold basis considered as Right of Use Asset is amortised over the period of lease.

c. The classification of plant and machinery into continuous and non-continuous process is done as per technical certification by the management and depreciation thereon is provided accordingly.

d. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to the standalone financial statements (Contd.)

**(iv) Intangible assets and amortisation**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at the end of each reporting period. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of economic benefits from the asset, the amortizsation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The following are the acquired intangible assets:

Software

The management of the Company assessed the useful life of software as finite and cost of software is amortised over their estimated useful life of three years on straight line basis.

**(v) Impairment of Non-Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset (except inventories and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(vi) Leases**

At inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract coveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset, whether specified explicitly or implicitly;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Company has right to direct the use of the asset by either having right to operate the asset or the Company having designed the asset in a way that predetermines how and for what purpose it will be used.

**Accounting as a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The estimates of useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has elected not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on straight line basis over the lease term.

**(vii) Foreign currency transactions**

**(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is Company's functional and presentation currency.

**(b) Initial recognition**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction.

**(c) Conversion**

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial recognition.

**(d) Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

**(viii) Derivative financial instruments**

***Initial recognition and subsequent measurement***

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

**(ix) Fair value measurement**

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market

Notes to the standalone financial statements (Contd.)

participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**(x) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

***Initial recognition and measurement:***

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables are measured at transaction price in accordance with Ind AS 115.

**Subsequent measurement:**

***Financial assets being financial instruments:***

Subsequent measurement of financial instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, financial instruments are classified in three categories:

- Financial instruments at amortised cost;
- Financial instruments at fair value through other comprehensive income (FVTOCI);
- Financial instruments at fair value through profit and loss (FVTPL).

***Financial instruments at amortised cost:***

A financial instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

***Financial instrument at FVTOCI:***

A financial instrument is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial instrument is reported as interest income using the EIR method.

**Financial instrument at FVTPL:**

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

**Derecognition**:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of Financial Assets**:

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

**Financial Liabilities**

***Initial recognition and measurement:***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

***Subsequent Measurement:***

The measurement of financial liabilities depends on their classification, as described below:

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(xi) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

**(xii) Inventories**

i. Inventories are valued at the lower of cost and net realisable value.

ii. The cost is determined as follows:

(a) Raw Materials, Stores, Spare Parts, Chemical, Fuel Oil and Packing Materials: Weighted average method

(b) Intermediaries: Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity

(c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity

(d) Traded goods: Weighted average method

iii. By-products such as treated gypsum are measured at net realisable value, adjusted against the cost of main product.

iv. Net realisable value is the estimated selling price including applicable subsidy in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

v. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

**(xiii) Borrowing cost**

Borrowing costs include interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(xiv) Revenue Recognition**

The Company earns revenue primarily from sale of fertilisers. The following specific criteria must also be met before revenue is recognised:

**Sale of goods**

At contract inception, Company assess the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods which is usually dispatch/delivery of goods, based on contracts with customers. There is no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (x) to material accounting policies on Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**Subsidy income**

Concessions in respect of Urea as notified under the New Pricing Scheme is recognised with adjustments for escalation/de–escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for DAP, Muriate of Potash (MOP) and Complex Fertilisers are recognised as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time, where there is reasonable assurance of complying with the conditions of the policy.

Subsidy on freight charges for DAP, MOP and Complex Fertilisers is recognised based on rates notified by the Government of India with the known policy parameters in this regard and included in subsidy.

**(xiv) (a) Interest Income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable EIR. Claims receivable on account of interest from dealers on delayed payments are accounted for to the extent the Company is reasonably certain of their ultimate collection.

**(xiv) (b) Dividend Income**

Dividend income is recognised when the Company's right to receive the payment is established.

**(xiv) (c) Insurance claims**

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

**(xv) Government grants and subsidies**

Grants and subsidies [other than subsidy income considered in point (xiv) above] from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

**(xvi) Employee benefits**

**Share-based payments**

Share-based compensation benefits are provided to employees via PPL Employees Stock Option Plan 2021 ("ESOP 2021"). The fair value of the options granted under ESOP 2021 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

**Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**Defined Contribution Plan**

Retirement benefit in the form of contribution to pension fund, superannuation fund and national pension scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to these schemes. The Company recognises contribution payable to these fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre- payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined Benefit Plans**

i) Liability for Gratuity and Post Retirement Medical Benefits are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan and post employment medical benefit plan has been funded by policy taken from Life Insurance Corporation of India.

ii) Liability for Provident fund is provided for on the basis of actuarial valuation carried at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952.

iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

**Other long term benefits**

Liability for accumulated compensated absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The Company measures the expected cost of accumulated compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose.

**(xvii) Income tax**

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when

Notes to the standalone financial statements (Contd.)

the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- taxable temporary differences arising on the initial recognition of goodwill.

**(xviii) Segment Reporting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

**(xix) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

**(xx) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. A contingent liability is also a present obligation that arises from past events but outflow of resources embodying economic benefits is not probable.

**(xxi) Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

**(xxii) Business combinations**

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**(xxiii) Goodwill**

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**(xxiv) Declaration of Dividend**

The Company recognises a liability to pay final dividend to equity shareholders when the distribution is authorised, and the distribution is no longer at the descretion of the Company. As per the corporate laws in India, a final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in the equity.

**(xxv) Material accounting policy information**

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from April 1, 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

**3A. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The changes in estimates are made as the management becomes aware of such changes. The changes in estimates are recognised in the period in which the estimates are revised.

**i) Defined benefit plans**

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 32.

**ii) Useful life of Property, plant and equipment**

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date. Refer Note 4(a).

**iii) Fair value measurement of financial instruments.**

Refer Note 34 for information about fair value measurement.

**iv) Revenue recognition**

The Company provides various rebates and incentives to the customers. In estimating the same, the Company is required to use either the expected value method or the most likely method. The Company determined that the expected value method is the appropriate method for determining estimates to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical experience and business forecast and current market conditions. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value thereof.

**v) Fair value of assets and liabilities acquired on business combination**

Refer Note 44 for information about fair values of assets and liabilities acquired on business combination.

**vi) Provisions and contingencies**

Refer Note 29 for key assumptions about likelihood and magnitude of an outflow of economic resources in relation to recognition and measurement of contingent liabilities.

**3B. Standards issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company





Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

**NOTE 4(A): PROPERTY, PLANT AND EQUIPMENT**

**Reconciliation of carrying amount**

| | Leasehold land | Freehold land * | Buildings | Roads and culverts | Plant and equipments | Furniture and fittings | Vehicles | Office equipments | Railway siding | Total (A) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1st April 2022** | 39.84 | 584.90 | 39,932.44 | 997.60 | 1,26,210.91 | 412.93 | 523.49 | 1,014.80 | 846.84 | **1,70,563.75** |
| Additions during the year | - | - | 89.23 | 9.77 | 22,341.37 | 41.56 | 231.74 | 233.20 | 197.49 | **23,144.36** |
| Adjustment on account of business acquisition (refer Note 44(a)) | - | 43,240.00 | 5,066.10 | - | 96,325.25 | 63.80 | 201.56 | 379.36 | 1,687.69 | **1,46,963.76** |
| Disposals/ discard during the year | - | - | - | - | 2,062.01 | 9.33 | 87.86 | 14.37 | 0.67 | **2,174.24** |
| Adjustment (refer note 4 below) | - | - | - | - | 2,348.81 | - | - | - | - | **2,348.81** |
| **Balance as at 31st March 2023** | **39.84** | **43,824.90** | **45,087.77** | **1,007.37** | **2,45,164.33** | **508.96** | **868.93** | **1,612.99** | **2,731.35** | **3,40,846.44** |
| **Balance as at 1st April 2023** | 39.84 | 43,824.90 | 45,087.77 | 1,007.37 | 2,45,164.33 | 508.96 | 868.93 | 1,612.99 | 2,731.35 | **3,40,846.44** |
| Additions during the year | - | 275.49 | 9,600.23 | 998.85 | 59,582.61 | 36.98 | 943.65 | 231.91 | - | **71,669.72** |
| Disposals/ discard during the year | - | - | - | - | 3,409.78 | 1.55 | 97.69 | 35.81 | 50.81 | **3,595.64** |
| Adjustment (refer note 4 below) | - | - | - | - | 7,349.74 | - | - | - | - | **7,349.74** |
| **Balance as at 31st March 2024** | **39.84** | **44,100.39** | **54,688.00** | **2,006.22** | **3,08,686.90** | **544.39** | **1,714.89** | **1,809.09** | **2,680.54** | **4,16,270.26** |

| | Leasehold land | Freehold land * | Buildings | Roads and culverts | Plant and equipments | Furniture and fittings | Vehicles | Office equipments | Railway siding | Total (A) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation** | | | | | | | | | | |
| **Balance as at 1st April 2022** | 3.26 | - | 5,731.92 | 299.40 | 37,336.58 | 253.74 | 198.53 | 591.76 | 174.72 | **44,589.91** |
| Charge for the year | 0.44 | - | 1,568.83 | 148.16 | 14,999.34 | 70.35 | 124.50 | 276.73 | 122.48 | **17,310.83** |
| Deductions | - | - | - | - | 564.38 | 8.04 | 42.27 | 10.62 | - | **625.31** |
| **Balance as at 31st March 2023** | **3.70** | **-** | **7,300.75** | **447.56** | **51,771.54** | **316.05** | **280.76** | **857.87** | **297.20** | **61,275.43** |
| **Balance as at 1st April 2023** | 3.70 | - | 7,300.75 | 447.56 | 51,771.54 | 316.05 | 280.76 | 857.87 | 297.20 | **61,275.43** |
| Charge for the year | 0.44 | - | 1,805.01 | 251.97 | 18,072.74 | 41.34 | 190.03 | 290.47 | 150.68 | **20,802.68** |
| Deductions | - | - | - | - | 1,047.51 | 1.29 | 41.62 | 29.57 | 5.75 | **1,125.74** |
| **Balance as at 31 March 2024** | **4.14** | **-** | **9,105.76** | **699.53** | **68,796.77** | **356.10** | **429.17** | **1,118.77** | **442.13** | **80,952.37** |
| **Net Carrying amount** | | | | | | | | | | |
| **Balance as at 31st March 2024** | **35.70** | **44,100.39** | **45,582.24** | **1,306.69** | **2,39,890.13** | **188.29** | **1,285.72** | **690.32** | **2,238.41** | **3,35,317.89** |
| Balance as at 31st March 2023 | 36.14 | 43,824.90 | 37,787.02 | 559.81 | 1,93,392.79 | 192.91 | 588.17 | 755.12 | 2,434.15 | 2,79,571.01 |

* Company is in the process of executing conveyance deed / patta for land measuring 178.06 acres amounting to ₹27.94 Lakhs

Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

| Item of Balance Sheet | Description of Item | Gross Carrying Value | Title deed in favour of | If in the name of director etc. | Property held since | Reason of not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Property, Plant and equipment | Freehold land | 27.94 | NA | NA | 1982-85 | Delay on account of administrative formalities |

1) Refer Note 14(a) and 14(c) relating to borrowings in respect of property, plant and equipment provided as security against those borrowings.
2) Refer Note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
3) Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation rate relating to general borrowings was at 8.33% (31st March 2023: 7.88%).
4) Adjustments include adjustment on account of borrowing costs.

## 4(B) CAPITAL WORK-IN-PROGRESS

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Opening balance | 69,686.32 | 33,629.46 |
| Add: Addition during the year | 45,264.86 | 48,557.23 |
| Adjustment on account of business acquisition (refer Note 44(a)) | - | 12,992.80 |
| Less: Capitalisation during the year | 77,731.90 | 25,493.17 |
| Closing balance | **37,219.28** | **69,686.32** |

Closing balance includes other direct capital expenditure (pending allocation) ₹ 2,022.52 (31st March 2023: ₹ 4,685.65)

**CWIP Ageing Schedule**

**As at 31st March 2024**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| Projects in progress | 22,500.31 | 13,645.34 | 747.93 | 325.70 | **37,219.28** |
| Projects temporarily suspended | - | - | - | - | - |

**As at 31st March 2023**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| Projects in progress | 49,585.20 | 14,013.52 | 3,100.90 | 2,986.70 | **69,686.32** |
| Projects temporarily suspended | - | - | - | - | - |



Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

**Details of projects forming part of CWIP and which have become overdue compared to their original plans or where cost is exceeded compared to original plans**

**As at 31st March 2024**

(Amount in ₹ Lakhs)

| Particulars | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years |
| Sulphuric acid plant | 15,854.97 | - | - | - |
| MRSS | 1,492.79 | - | - | - |

**As at 31st March 2023**

(Amount in ₹ Lakhs)

| Particulars | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years |
| 4th Evaporator of Phosphoric acid plant | 5,946.09 | - | - | - |
| Phosphoric acid plant expansion | 17,941.93 | - | - | - |
| Sulphuric acid plant | - | 12,137.28 | - | - |

## 4(C) RIGHT-OF-USE ASSETS

| Particulars | Right of use Building | Right of use Land | Total Right of use assets |
|---|---|---|---|
| **As at 1st April 2022** | - | - | - |
| **Adjustment on account of business acquisition (refer Note 44(a))** | **112.61** | **1,384.83** | **1,497.44** |
| Additions | 112.44 | 125.11 | **237.55** |
| **As at 31st March 2023** | **225.05** | **1,509.94** | **1,734.99** |
| **Additions** | **383.90** | **-** | **383.90** |
| **As at 31st March 2024** | **608.95** | **1,509.94** | **2,118.89** |
| **Depreciation** | | | |
| **As at 1st April 2022** | - | - | - |
| Charge for the year | 18.06 | 97.66 | **115.72** |
| **As at 31st March 2023** | **18.06** | **97.66** | **115.72** |
| Charge for the year | **95.70** | **116.94** | **212.64** |
| **As at 31st March 2024** | **113.76** | **214.60** | **328.36** |
| **Net block** | | | |
| **As at 31st March 2024** | **495.19** | **1,295.34** | **1,790.53** |
| **As at 31st March 2023** | **206.99** | **1,412.28** | **1,619.27** |

## 4(D) INTANGIBLE ASSETS

| | 31st March 2024 Computer Software | 31st March 2023 Computer Software |
|---|---|---|
| **Gross block** | | |
| Balance as at beginning of the year | 606.25 | 425.88 |
| Additions during the year | 58.37 | 104.24 |
| Adjustment on account of business acquisition (refer Note 44(a)) | - | 76.13 |
| **Balance as at end of the year** | **664.62** | **606.25** |

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| | 31st March 2024 Computer Software | 31st March 2023 Computer Software |
|---|---|---|
| **Amortisation** | | |
| Balance as at beginning of the year | 428.41 | 339.65 |
| Amortisation for the year | 51.71 | 88.76 |
| **Balance as at end of the year** | **480.12** | **428.41** |
| **Net carrying amount as at end of the year** | **184.50** | **177.84** |

## NOTE 5: INVESTMENT IN ASSOCIATE

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Investment in associate** | | |
| Unquoted investment in equity share at cost | 365.61 | 365.61 |
| 512,500 (31st March 2023: 512,500) ordinary shares of USD 1 each fully paid up of Zuari Yoma Agri Solutions Limited | | |
| **Net investment in associate** | **365.61** | **365.61** |
| **Aggregate value of unquoted investment** | **365.61** | **365.61** |
| **Aggregate amount of impairment in value of investment** | **-** | **-** |

## NOTE 6: OTHER NON CURRENT ASSETS AND CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Capital advances | | | | |
| Related parties (refer Note 33) | 1,191.45 | - | 1,124.19 | - |
| Others | 1,412.62 | - | 3,754.15 | - |
| Advance to vendors: | | | | |
| Related parties (refer Note 33) | - | 1.34 | - | 150.53 |
| Others | - | 1,763.63 | - | 2,850.22 |
| Less: Loss allowance | - | (32.00) | - | (32.00) |
| Claims receivable | 218.28 | 5,510.96 | 218.28 | 2,902.37 |
| Less: Loss allowance | (11.50) | - | (218.28) | - |
| Balance with statutory / government authorities | - | 45,198.23 | - | 52,482.32 |
| Prepaid expenses | - | 2,290.41 | 7.16 | 2,218.14 |
| Sales tax & entry tax deposits | 8.01 | 3,156.53 | 8.01 | 3,050.98 |
| Less: Loss allowance | (8.01) | - | (8.01) | - |
| Other deposits | | | | |
| Related parties (refer Note 33) | 60.00 | - | 89.32 | - |
| Others* | 957.71 | 425.12 | 925.22 | 425.80 |
| **Total other assets** | **3,828.56** | **58,314.22** | **5,900.04** | **64,048.36** |

* Includes primarily deposits with vendors, service providers etc.



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 7: INVENTORIES

(Valued at the lower of cost and net realisable value)

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Raw materials | 93,696.43 | 1,05,702.78 |
| Finished goods | 50,188.02 | 80,537.48 |
| Traded goods | 2,672.09 | 2,708.37 |
| Intermediates (work in progress) | 10,243.76 | 9,373.92 |
| Stores, spare parts, chemical and fuel oil | 10,959.62 | 11,595.81 |
| Packing materials | 934.77 | 647.67 |
| By-Products | 14,388.26 | 13,201.69 |
| **Total inventories** | **1,83,082.95** | **2,23,767.72** |

**Note:**

a) Inventories are pledged against the borrowings as further explained in Note 14(a) and 14(c).

b) The cost of inventories recognised as expense includes ₹ 3,102.54 (31st March 2023: ₹ 2,721.52) in respect of write down of inventories to net realisable value.

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

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Raw materials | 48,136.02 | 44,355.69 |
| Finished goods | 4,658.58 | 22,698.02 |
| Traded goods | 29.77 | - |
| Stores and spare parts | 718.36 | 1,719.00 |
| **Total inventories in transit** | **53,542.73** | **68,772.71** |

## NOTE 8: TRADE RECEIVABLES

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade receivables considered good - secured | 5,358.33 | 4,922.03 |
| Trade receivables - unsecured* | 2,62,529.17 | 3,54,630.88 |
| | | |
| From related parties (refer Note 33) | | |
| Trade receivables considered good - unsecured | 10,529.56 | 15,171.71 |
| **Total trade receivables** | **2,78,417.06** | **3,74,724.62** |
| Less: Loss allowance | (6,369.13) | (5,750.87) |
| **Net trade receivables (refer note 'a' below)** | **2,72,047.93** | **3,68,973.75** |

Trade receivables are carried at amortised cost which are a reasonable approximation of their fair value.

*** Trade receivables - unsecured**

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade receivable considered good | 2,59,116.79 | 3,51,178.01 |
| Trade receivables - which have significant increase in credit risk | 3,412.38 | 3,452.87 |
| **Total trade receivables unsecured** | **2,62,529.17** | **3,54,630.88** |

Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

a) Includes subsidy receivable from the Government of India amounting to ₹ 190,560.66 (31st March 2023: ₹ 306,937.59)

b) Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 14(a) and 14(c).

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

d) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

e) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35.

**Trade Receivable ageing schedule:**

**As at 31st March 2024**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| (i) Undisputed Trade receivables - considered good | 1,85,197.75 | 40,559.53 | 34,773.04 | 762.49 | 314.29 | 8,038.06 | 2,69,645.16 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - considered good | - | - | - | - | - | 5,359.52 | 5,359.52 |
| (v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | 210.11 | 609.91 | 2,592.36 | 3,412.38 |
| (vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| **Gross trade receivable** | | | | | | | **2,78,417.06** |

**As at 31st March 2023**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| (i) Undisputed Trade receivables - considered good | 2,93,117.22 | 59,231.82 | 1,596.19 | 2,401.62 | 1,527.54 | 8,037.84 | 3,65,912.23 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - considered good | - | - | - | - | - | 5,359.52 | 5,359.52 |
| (v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | 902.72 | 165.43 | 2,384.72 | 3,452.87 |
| (vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| **Gross trade receivable** | | | | | | | **3,74,724.62** |



Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 9(A): CASH AND CASH EQUIVALENTS

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balances with banks | | |
| - On current accounts | 89.60 | 23.46 |
| - On cash credit accounts | 8,982.05 | 4,279.76 |
| Cash on hand | 0.14 | 0.20 |
| **Total cash and cash equivalents** | **9,071.79** | **4,303.42** |

## NOTE 9(B): BANK BALANCES OTHER THAN ABOVE

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| - Deposits with banks with original maturity of more than three months and less than twelve months* | 2,708.76 | 6,681.98 |
| - ESOP accounts | 19.71 | - |
| - Unpaid dividend accounts | 2.10 | - |
| **Total bank balances other than above** | **2,730.57** | **6,681.98** |

Bank balances other than above are carried at amortised cost which are a reasonable approximation of their fair value.

*Pledged with Executive Engineer, Mahanadi South Division as security deposit ₹ 199.96 (31st March 2023: ₹ 185.55), against bank guarantee issued in favour of Regional Director, ESI Corporation, Bhubaneswar ₹ 5.51 (31st March 2023: ₹ 5.51), cash margin fixed deposit issued against repayment of long term loan: ₹ 2,503.29 (31st March 2023: ₹ 6,490.92)

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 10: OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Derivative instruments at fair value through profit or loss** | | | | |
| Derivatives not designated as hedges | | | | |
| Foreign-exchange forward contracts | - | 210.31 | - | - |
| **Other financial asset at amortised cost*** | | | | |
| Claims receivable: | | | | |
| Related parties (refer Note 33) | - | 47,632.56 | - | 32,556.51 |
| Others | 209.79 | 791.82 | 209.79 | 31.40 |
| Less: Loss allowance | (209.79) | - | (209.79) | - |
| Interest receivable on deposits, receivables, etc.: | | | | |
| Related parties (refer Note 33) | - | 318.34 | - | 55.63 |
| Others | - | 61.68 | - | 71.05 |
| Receivables from Gas pool operator | - | 1,348.16 | - | 961.03 |
| Other receivable | | | | |
| Related parties (refer Note 33) | - | 56.18 | - | 42.65 |
| **Total other financial assets** | **-** | **50,419.05** | **-** | **33,718.27** |

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

## NOTE 11: ASSETS CLASSIFIED AS HELD FOR SALE

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Discarded property, plant and equipment | 23.26 | 23.26 |
| **Total assets classified as held for sale** | **23.26** | **23.26** |

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

## NOTE 12: EQUITY SHARE CAPITAL

**(a) Details of authorised, issued, subscribed and fully paid up share capital:**

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Authorised share capital** | | |
| 900,000,000 (31st March 2023: 900,000,000) equity shares of ₹ 10 each (31st March 2023: ₹ 10 each) | 90,000.00 | 90,000.00 |
| 10,000,000 (31st March 2023: 10,000,000) 7% Non cumulative Redeemable preference shares of ₹ 100/- each (31st March 2023:₹100 each) | 10,000.00 | 10,000.00 |
| **Total authorised share capital** | **1,00,000.00** | **1,00,000.00** |
| **Issued, subscribed and fully paid up shares** | | |
| 814,778,646 (31st March 2023: 814,497,619) equity shares of ₹ 10 (31st March 2023: ₹ 10) each fully paid | 81,477.86 | 81,449.76 |
| **Total equity share capital** | **81,477.86** | **81,449.76** |

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:**

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of equity shares | Amount | Number of equity shares | Amount |
| Balance at the beginning of the year | 81,44,97,619 | 81,449.76 | 57,54,50,000 | 57,545.00 |
| Changes during the year | 2,81,027 | 28.10 | 23,90,47,619 | 23,904.76 |
| Balance at the end of the year | 81,47,78,646 | 81,477.86 | 81,44,97,619 | 81,449.76 |

**(c) Terms/ rights attached to equity shares:**

1) The Company has only one class of equity share having par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.

2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the respective shareholders.

**(d) Shares held by holding company are as below:**

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of equity shares | Amount | Number of equity shares | Amount |
| **Name of shareholder** | | | | |
| Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as Zuari Maroc Phosphates Limited (ZMPL)) | 45,69,42,507 | 45,694.25 | 45,69,42,507 | 45,694.25 |

**(e) Details of equity shareholders holding more than 5% of the aggregate equity shares in the Company:**

| Name of equity shareholder | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of equity shares | Amount | Number of equity shares | Amount |
| Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL) | 45,69,42,507 | 56.08% | 45,69,42,507 | 56.10% |
| SBI Multicap Fund | 6,82,95,622 | 8.38% | 4,76,68,663 | 5.85% |

(f) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(g) As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(h) Stock option schemes

Information relating to Employee Stock Option Plan, including details of options granted and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 42(a).

## Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

**(i) Details of shareholding of promoters:**

| Name of equity shareholder | As at 31st March 2024 | | Reduction of shareholding | As at 31st March 2023 | |
|---|---|---|---|---|---|
| | Number of equity shares | % of total shares in the class | % of change | Number of equity shares | % of total shares in the class |
| Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL) | 45,69,42,507 | 56.08% | 0.02% | 45,69,42,507 | 56.10% |

### NOTE 13: OTHER EQUITY

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Retained earnings | 2,01,129.74 | 1,95,468.76 |
| - Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/ loss of defined benefit plans. | | |
| Securities premium | 73,540.11 | 73,404.20 |
| - Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013. | | |
| Share option outstanding reserve | 333.28 | 197.83 |
| - This reserve relates to stock options granted by the Company to eligible employees under PPL Employees Stock Option Plan 2021 ("ESOP 2021"). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options. | | |
| **Total other equity** | **2,75,003.13** | **2,69,070.79** |

Refer standalone statement of changes in equity for movement during the years.

**Proposed dividend on equity shares not recognised as liability ***

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Proposed final dividend | **4,073.89** | **4,072.49** |

The Board of Directors has recommended a dividend of 5% i.e. ₹ 0.50 per equity share of ₹ 10 each fully paid up

* Proposed dividend on equity shares is subject to approval of shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

### NOTE 14(A): NON-CURRENT BORROWINGS

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of equity shares | Amount | Number of equity shares | Amount |
| **Secured** | | | | |
| Rupee term loan from banks | 67,650.58 | 38,228.94 | 61,188.79 | 35,893.02 |
| Amount of current maturities disclosed under the head "current borrowings" (refer note 14(c)) | - | (38,228.94) | - | (35,893.02) |
| **Total non-current borrowings** | **67,650.58** | **-** | **61,188.79** | **-** |

Non-Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.



Notes to the standalone financial statements (Contd.)

(All amounts are in rupees lakhs, unless otherwise stated)

**Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:**

| Particulars of loan | Security | Terms of repayment | Period / Year end | Effective interest rate |
|---|---|---|---|---|
| Rupee term loan from- ICICI Bank | First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets. | Repayable in 20 quarterly instalments commenced from 31st December 2018, of which first 8 quarterly instalments are of ₹ 500.00, next 4 quarterly instalments of ₹ 1000.00 and remaining 8 quarterly instalments of ₹ 1500.00 | 31st March 2024 | - |
| | | | 31st March 2023 | 9.00% |
| Rupee term loan from- Bank of India | First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets. | Repayable in 16 quarterly instalments of ₹ 1337.50 commenced from 30th September 2022. | 31st March 2024 | 10.43% |
| | | | 31st March 2023 | 7.75% |
| Rupee term loan from Axis Bank | First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets. | Repayable in 6 quarterly instalments of ₹ 2698.00 and final instalment of ₹2812.00 commenced from 4th April 2023. | 31st March 2024 | 8.30% |
| | | | 31st March 2023 | 8.30% |
| Rupee term loan from- ICICI Bank | First pari passu with the mortgages and charges created in respect of immovable properties and movable properties | Repayable in 16 quarterly instalments of ₹ 937.50 commenced from 31st March 2023. | 31st March 2024 | 10.05% |
| | | | 31st March 2023 | 10.35% |
| Rupee term loan from- ICICI Bank | First pari passu with the mortgages and charges created in respect of movable properties | Repayable in 10 quarterly instalments of ₹ 1500.00 commenced from 31st March 2022. | 31st March 2024 | 9.05% |
| | | | 31st March 2023 | 8.75% |
| Rupee term loan from- SBI | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 20 quarterly instalments of ₹ 850.00 commenced from 1st October 2023. | 31st March 2024 | 9.10% |
| | | | 31st March 2023 | 9.85% |
| Rupee term loan from- HDFC | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 20 quarterly instalments of ₹ 1083.15 commenced from 1st September 2022. | 31st March 2024 | 9.80% |
| | | | 31st March 2023 | 9.00% |
| Rupee term loan from- Indian Bank | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 20 quarterly instalments of ₹ 597.16 commenced from 1st December 2022. | 31st March 2024 | 9.65% |
| | | | 31st March 2023 | 8.85% |
| Rupee term loan from- Canara Bank | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 20 quarterly instalments of ₹ 1640.00 commencing from 1st January 2025. | 31st March 2024 | 9.70% |
| | | | 31st March 2023 | 8.90% |

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars of loan | Security | Terms of repayment | Period / Year end | Effective interest rate |
|---|---|---|---|---|
| Rupee term loan from- Indusind Bank | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 16 quarterly instalments commencing from 31st December 2025, of which first 4 quarterly instalments are of ₹ 833.25, next 8 quarterly instalments of ₹ 1666.50 and remaining 4 quarterly instalments of ₹. 833.25 | 31st March 2024 | 8.50% |
| | | | 31st March 2023 | - |
| Rupee term loan from- ICICI Bank | First pari passu with the mortgages and charges created in respect of movable properties and immovable properties | Repayable in 12 quarterly instalments of ₹ 2083.33 commencing from 30th June 2024 | 31st March 2024 | 9.05% |
| | | | 31st March 2023 | - |

## NOTE 14(B): LEASE LIABILITIES

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | current | Non-current | current |
| Lease Liabilities* | 1,722.29 | 210.89 | 1,603.78 | 77.32 |
| **Total** | **1,722.29** | **210.89** | **1,603.78** | **77.32** |

* Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Opening** | 1,681.10 | - |
| **Adjustment on account of business acquisition (refer Note 44(a))** | - | 1,444.10 |
| Additions | 383.90 | 285.79 |
| **Accretion of interest** | 154.91 | 98.16 |
| Payments | (286.73) | (146.95) |
| **Closing** | **1,933.18** | **1,681.10** |

The effective interest rate for lease liabilities is 8.50%, with maturity between 2023-2048.

**Maturity profile of lease liability**

| Ageing | Total rent payments | Interest payment | Net Amount |
|---|---|---|---|
| Less than 1 year | 304.47 | 142.65 | **161.82** |
| 1-3 years | 615.72 | 248.34 | **367.38** |
| 3-5 years | 551.67 | 183.94 | **367.73** |
| > 5 years | 1,826.60 | 790.35 | **1,036.25** |
| **Total** | **3,298.46** | **1,365.28** | **1,933.18** |

## NOTE 14(C): CURRENT BORROWINGS

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **From banks:** | | |
| **Secured** | | |
| **Other loans** | | |
| Working capital demand loan | 59,400.00 | 80,016.30 |
| Buyer's credit | 31,785.61 | 1,24,943.60 |
| Supplier's credit | 1,19,914.89 | 1,33,900.61 |
| Local bills discounted with bank | 82,457.52 | 19,981.32 |
| Other loans from bank | - | 6,250.00 |
| Current maturity of non-current borrowings | 38,228.94 | 35,893.02 |
| **Unsecured** | | |
| Other loans from bank | - | 936.68 |
| **Total current borrowings** | **3,31,786.96** | **4,01,921.53** |

Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

**Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:**

| Particulars of loan | Security | Terms of repayment | Period | Principal Amount | Effective interest rate |
|---|---|---|---|---|---|
| Working capital demand loan (WCDL) (secured) | First charge by way of hypothecation on all current assets and second charge on all immovable & movable properties of the Company (other than certain current assets hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis. | Repayable over a period of 7 to 91 days | 31st March 2024 | 59,400.00 | 7.38% to 10.56% |
| | | | 31st March 2023 | 80,016.30 | 8.24% |
| Supplier's credit(secured)/buyer's credit (secured) | | Repayable over a period of 30 to 180 days | 31st March 2024 | 1,51,700.50 | 6 month SOFR plus 0.15% to 0.75% |
| | | | 31st March 2023 | 2,58,844.21 | 6 month LIBOR / SOFR plus 0.25% to 0.75% |
| Local Bills discounted with bank (secured) | | Repayable over a period of 91 to 180 days | 31st March 2024 | 82,457.52 | 7.35% to 8.40% |
| | | | 31st March 2023 | 19,981.32 | 8.23% |
| Others loans (secured) | The loan is secured against 100% fixed deposit | Repayable over a period of 90 to 180 days | 31st March 2024 | - | - |
| | | | 31st March 2023 | 6,250.00 | 7.35% |
| Others Loans (unsecured) | Unsecured | Repayable on demand | 31st March 2024 | - | - |
| | | | 31st March 2023 | 936.68 | 7.51% |

**Details of securities as reported in the books vis-à-vis quarterly return:**

| Particulars of securities | Name of the bank | Quarter | Amount as per books of accounts | Amount as reported in the quarterly return | Amount of difference | Reason of material difference |
|---|---|---|---|---|---|---|
| Inventory | State Bank of India | Jun-23 | 2,85,246.24 | 2,85,246.24 | - | There is no difference in inventory, receivables and other assets |
| Receivables | | | 3,90,757.97 | 3,90,757.97 | - | |
| Other Current Assets | | | 1,15,264.92 | 1,15,264.92 | - | |
| **Total** | | | **7,91,269.12** | **7,91,269.12** | **-** | |
| Inventory | State Bank of India | Sep-23 | 1,92,557.91 | 1,92,557.91 | - | |
| Receivables | | | 2,64,219.87 | 2,64,219.87 | - | |
| Other Current Assets | | | 1,22,033.22 | 1,22,033.22 | - | |
| **Total** | | | **5,78,811.00** | **5,78,811.00** | **-** | |
| Inventory | State Bank of India | Dec-23 | 1,85,914.06 | 1,85,914.06 | - | |
| Receivables | | | 2,97,041.52 | 2,97,041.52 | - | |
| Other Current Assets | | | 1,11,314.66 | 1,11,314.66 | - | |
| **Total** | | | **5,94,270.24** | **5,94,270.24** | **-** | |

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 15: OTHER FINANCIAL LIABILITIES

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Financial liabilities at fair value through profit or loss** | | | | |
| **Derivatives not designated as hedges** | | | | |
| Foreign-exchange forward contracts | - | - | - | 1,628.93 |
| **Total financial liabilities at fair value through profit or loss** | **-** | **-** | **-** | **1,628.93** |
| **Other financial liabilities at amortised cost*** | | | | |
| Earnest money/Security deposits | | | | |
| Others | - | 13,334.09 | - | 12,804.58 |
| Employee related dues | - | 5,050.07 | 180.42 | 3,886.71 |
| Creditors for property, plant and equipments (including retention money from contractors/ suppliers) | | | | |
| Others | - | 2,026.72 | - | 1,764.38 |
| Unpaid dividend | - | 2.10 | - | - |
| Interest accrued but not due on borrowings | - | 2,042.45 | - | 2,483.62 |
| Payable against buiness acquisition (refer Note 33) | - | - | - | 1,434.89 |
| **Total other financial liabilities at amortised cost** | **-** | **22,455.43** | **180.42** | **22,374.18** |
| **Total other financial liabilities** | **-** | **22,455.43** | **180.42** | **24,003.11** |

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

## NOTE 16: PROVISIONS

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Provision for employee benefits* (refer Note 32)** | | | | |
| Post retirement medical benefits | 76.41 | 5.94 | 143.29 | 11.15 |
| Gratuity | 938.34 | 179.66 | 465.99 | 72.09 |
| Leave salary | - | 5,024.74 | - | 5,269.33 |
| **Other provisions (refer Note 'a' below)** | | | | |
| Contractors | 1,606.65 | - | 1,769.93 | - |
| Others | | | | |
| - Capital expenditure | - | 129.36 | - | 250.18 |
| - Others | - | 1,945.20 | - | 3,397.81 |
| **Total provisions** | **2,621.40** | **7,284.90** | **2,379.21** | **9,000.56** |

* The classification of current/non current for provision for employee benefits has been determined by the actuary of the Company, based upon estimated amount of cash outflow during the next 12 months from the balance sheet date.

**Note a: The movement for "Other provisions" during the year is as follows:**

Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset"



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**Capital expenditure**

| | As at 31st March 2024 | | | As at 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | Capital Expenditure ** | Contractors | Others ** | Capital Expenditure ** | Contractors | Others ** |
| Opening balance | 250.18 | 1,769.93 | 3,397.81 | 250.18 | 951.78 | 3,207.96 |
| Adjustment on account of buiness acquisition (refer Note 44) | - | - | - | - | 829.24 | - |
| Provision made during the year | - | - | 67.27 | - | (11.09) | 189.85 |
| Provision adjusted during the year | (120.82) | (163.28) | (1,519.88) | - | - | - |
| | **129.36** | **1,606.65** | **1,945.20** | **250.18** | **1,769.93** | **3,397.81** |

**** Closing balance includes the following provisions**

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Capital Expenditure | Others | Capital Expenditure | Others |
| Ground rent (refer note i below) | - | 1,417.37 | - | 2,876.70 |
| Land compensation (including interest) (refer note ii below) | 129.36 | - | 250.18 | - |
| Employees' state insurance (refer note iii below) | - | 234.39 | - | 227.67 |
| Provision for others (freight claims) | - | 293.44 | - | 293.44 |
| | **129.36** | **1,945.20** | **250.18** | **3,397.81** |

i. The Land Policy of Port land has been revised as per the Land Policy Guidelines issued by the Ministry of Shipping, Government of India. Pursuant to the said policy and pending outcome of negotiation with Paradeep Port Trust, the Company has made provision towards ground rent, interest and taxes amounting to ₹ 1,417.37 (31 March 2023: ₹ 2,876.70) against the demand raised by Paradeep Port Trust.

ii. In terms of meeting for amicable settlement of dispute the additional compensation to the land losers, under the chairmanship of the Collector and District Magistrate, Jagatsinghpur, it was decided to pay additional compensation at the rate fixed to the claimants through the Special Land Acquisition Officer (Spl. LAO), Government of Odisha. Since the disbursement process to land losers had started in the financial year 2010-11 through Spl. LAO, the Company had accounted for total estimated liability of ₹ 566.01 (including interest of ₹ 418.01) during the financial year 2010-11. The outstanding liability as on 31 March 2024 stands at ₹ 129.36 (31 March 2023: ₹ 250.18) after making payment to Spl. LAO.

iii. Employees' State Insurance Corporation (ESIC) raised various demands against the Company in respect of both contract labourers and employees in earlier years, which were contested by the Company in various Courts and Authorities. The Company is continuing with the provision existing in the books as on 31 March 2024 as ₹ 234.39 (31 March 2023: ₹ 227.67)

## NOTE 17: INCOME TAX

**A. Amount recognised in the profit or loss**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| **Current tax expense :** | | |
| Current year | - | 9,629.93 |
| Income tax for earlier years | (279.76) | 333.15 |
| **Deferred tax charge / (credit):** | | |
| Relating to origination and reversal of temporary differences | 4,372.26 | 2,234.64 |
| **Total tax expense** | **4,092.50** | **12,197.72** |

Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

**B. Amount recognised in the Other Comprehensive Income**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Deferred tax charge / (credit) to remeasurement of defined benefit liability | (65.12) | 23.23 |

**C. Reconciliation of effective tax rate**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| **Profit before income tax from continuing operations** | 14,016.72 | 42,566.46 |
| Profit before income tax | **14,016.72** | **42,566.46** |
| At India's statutory income tax rate of 25.168% | 3,527.73 | 10,713.13 |
| **Tax effects of amount which are not deductible / (taxable) in calculating taxable income -** | | |
| CSR expenditure | 260.66 | 189.85 |
| Interest under Section 234B/234C | (9.99) | 29.56 |
| Impact of capitalisation on carrying value of assets | 535.59 | 141.97 |
| On stamp duty | - | 772.63 |
| Others | 58.27 | 17.43 |
| **Effective tax charge** | **4,372.26** | **11,864.57** |
| Add: Tax impact for earlier years | (279.76) | 333.15 |
| **Tax expenses as per the Statement of Profit and Loss** | **4,092.50** | **12,197.72** |

**D. Movement in Deferred tax balances**

| | Balance as at 1st April 2023 | Recognised in profit or loss | Recognised in OCI | Balance as at 31st March 2024 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment (including intangible assets) | 16,231.63 | 4,203.91 | - | 20,435.54 |
| On account of statutory dues | 650.34 | (0.06) | - | 650.28 |
| **Total deferred income tax liabilities** | **16,881.97** | **4,203.85** | **-** | **21,085.82** |
| **Deferred tax assets** | | | | |
| Effect of loss allowance | 1,565.31 | 103.44 | - | 1,668.75 |
| Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961 | 3,814.56 | 95.51 | 65.12 | 3,975.19 |
| Provision for other liabilities | 724.08 | (367.36) | - | 356.72 |
| **Total deferred income tax assets** | **6,103.95** | **(168.41)** | **65.12** | **6,000.66** |
| **Net deferred tax liabilities / (assets)** | **10,778.02** | **4,372.26** | **(65.12)** | **15,085.16** |

| | Balance as at 1st April 2022 | Recognised in profit or loss | Recognised in OCI | On account of business acquistion | Balance as at 31st March 2023 |
|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | |
| Property, plant and equipment (including intangible assets) | 14,110.91 | 2,120.72 | - | - | 16,231.63 |
| On account of statutory dues | 641.47 | 8.87 | - | - | 650.34 |
| **Total deferred income tax liabilities** | **14,752.38** | **2,129.59** | **-** | **-** | **16,881.97** |
| **Deferred tax assets** | | | | | |
| Effect of loss allowance | 1,254.25 | 231.04 | - | 80.02 | 1,565.31 |
| Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961 | 3,602.07 | (382.22) | (23.23) | 617.94 | 3,814.56 |
| Provision for other liabilities | 677.95 | 46.13 | - | - | 724.08 |
| MAT credit entitlement | - | - | - | | - |
| **Total deferred income tax assets** | **5,534.27** | **(105.05)** | **(23.23)** | **697.96** | **6,103.95** |
| **Net deferred tax liabilities / (assets)** | **9,218.11** | **2,234.64** | **23.23** | **(697.96)** | **10,778.02** |

## NOTE 18: TRADE PAYABLES

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 929.88 | 667.47 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| - Related parties (refer Note 33) | 58,620.73 | 76,914.70 |
| - Others | 89,261.12 | 1,13,665.50 |
| | **1,48,811.73** | **1,91,247.67** |

Trade payables are carried at amortised cost which are a reasonable approximation of their fair value.

Trade payables include acceptances from related parties and others amounting to ₹54,114.86 and ₹54,276.87 (31 March 2023: ₹ 73,453.96 and ₹ 71,306.69) respectively.

**Note:**

Trade payables and acceptances are non-interest bearing and are normally settled on 30 to 180 day terms.

The amount due to Micro and small enterprises as defined under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such suppliers have been identified on the basis of information available with the Company. The details are as under:

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| (i) the principal amount remaining unpaid at the end of financial year interest due thereon remaining unpaid to any supplier as at the end of financial year | 929.88 | 667.47 |
| (ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| (iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| (iv) the amount of interest accrued and remaining unpaid at the end of the year | - | - |
| (v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

**Trade payable ageing schedule**

**As at 31st March 2024**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | Total |
| (i) MSME | - | 929.88 | - | - | - | 929.88 |
| (ii) Others | 20,957.38 | 1,02,463.87 | 3,575.10 | 1,293.57 | 189.51 | 1,28,479.43 |
| (iii) Disputed Dues-MSME | - | - | - | - | - | - |
| (iv) Disputed Dues-Others | - | - | - | - | - | - |
| (v) Unbilled dues | 19,402.42 | - | - | - | - | 19,402.42 |
| **Total** | **40,359.79** | **1,03,393.75** | **3,575.10** | **1,293.57** | **189.51** | **1,48,811.73** |

**As at 31st March 2023**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | Total |
| (i) MSME | - | 667.47 | - | - | - | 667.47 |
| (ii) Others | 4,273.43 | 1,68,499.93 | 1,572.19 | 196.01 | 701.74 | 1,75,243.30 |
| (iii) Disputed Dues-MSME | - | - | - | - | - | - |
| (iv) Disputed Dues-Others | - | - | - | - | - | - |
| (v) Unbilled dues | 15,336.90 | - | - | - | - | 15,336.90 |
| **Total** | **19,610.34** | **1,69,167.40** | **1,572.19** | **196.01** | **701.74** | **1,91,247.67** |

## NOTE 19: OTHER CURRENT LIABILITIES

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Rebate liabilities | 3,899.49 | 2,455.00 |
| Interest on statutory dues | - | 89.13 |
| Statutory dues | 7,155.30 | 7,891.53 |
| Advance from customers | 965.64 | 1,118.84 |
| | **12,020.43** | **11,554.50** |

## NOTE 20: REVENUE FROM OPERATIONS

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Sale of products | 5,64,331.03 | 4,76,987.91 |
| Subsidy from the Government of India on fertilisers (refer note (c) below) | 5,91,975.29 | 8,56,302.14 |



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Other operating revenues - Scrap sales | 1,205.66 | 782.14 |
| **Revenue from operations *** | **11,57,511.98** | **13,34,072.19** |

* Revenue is net of rebates, discounts and goods and service tax.

**(a) Reconciliation of revenue recognised with contract price:**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Contract price | 11,84,093.47 | 13,45,229.04 |
| Adjustment for: | | |
| Variable considerations - rebates | (26,581.49) | (11,156.85) |
| **Revenue from operations** | **11,57,511.98** | **13,34,072.19** |

**(b) Contract balances**

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade receivables | 2,72,047.93 | 3,68,973.75 |
| Contract liabilities - advance from customers | 965.64 | 1,118.84 |

**(c) Subsidy from Government of India on fertilisers:**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| On finished goods [including freight subsidy ₹ 38,385.45 (31st March 2023: ₹ 30,624.72)] | 5,44,844.77 | 8,27,811.98 |
| On traded goods [including freight subsidy ₹ 3,810.48 (31st March 2023: ₹ 1,070.68)] | 47,130.52 | 28,490.16 |
| | **5,91,975.29** | **8,56,302.14** |

## NOTE 21: OTHER INCOME

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Interest income on: | | |
| Bank deposits* | 264.80 | 625.39 |
| Income tax refund | - | 39.02 |
| Others* | 361.06 | 361.11 |
| Rent income | 291.22 | 304.13 |
| Loss allowance written back | 335.58 | 474.91 |
| Excess provision/unclaimed balances written back | 3,514.55 | 6,408.08 |
| Profit on sale of current investments | 111.58 | 93.36 |
| Miscellaneous income | 2,004.72 | 801.00 |
| | **6,883.51** | **9,107.00** |

* Interest income calculated using effective interest method in relation to financial assets carried at amortised cost.

Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

### NOTE 22: COST OF RAW MATERIALS CONSUMED

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Inventory at the beginning of the year | 1,05,702.78 | 1,37,959.00 |
| Add: Purchases | 7,54,000.03 | 10,26,826.47 |
| Add: Adjustment on account of buiness acquisition (refer Note 44(a)) | - | 3,209.19 |
| Less: Inventory at the end of the year | (93,696.43) | (1,05,702.78) |
| Less: Traded goods transferred from raw materials | (8,303.94) | (19,207.63) |
| Add: Traded goods transferred to raw materials | 3,201.40 | 885.27 |
| **Cost of raw materials consumed** | **7,60,903.84** | **10,43,969.52** |

### NOTE 23: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| **Opening stock** | | |
| - Finished goods | 80,537.48 | 24,941.42 |
| - Intermediates (work in progress) | 9,373.92 | 10,991.95 |
| - By-Products | 13,201.69 | 13,183.92 |
| - Traded goods (stock in trade) | 2,708.37 | 35,650.63 |
| **Total (A)** | **1,05,821.46** | **84,767.92** |
| **Add:- Adjustment on account of business acquisition (refer Note 44(a))** | | |
| - Finished goods | - | 1,742.67 |
| - Intermediates (work in progress) | - | 45.39 |
| - Traded goods (stock in trade) | - | 65.39 |
| **Total (B)** | **-** | **1,853.45** |
| **Less: Closing stock** | | |
| - Finished goods | 50,188.02 | 80,537.48 |
| - Intermediates (work in progress) | 10,243.76 | 9,373.92 |
| - By-Products | 14,388.26 | 13,201.69 |
| - Traded goods (stock in trade) | 2,672.09 | 2,708.37 |
| **Total (C)** | **77,492.13** | **1,05,821.46** |
| Traded goods transferred from raw materials | **(8,303.94)** | **(19,207.63)** |
| Traded goods transferred to raw materials | **3,201.40** | **885.27** |
| **Total (D)** | **(5,102.54)** | **(18,322.36)** |
| **(Increase)/ decrease in inventories of finished goods, stock-in trade and work-in-progress (A+B-C-D)** | **33,431.87** | **(877.73)** |

### NOTE 24: EMPLOYEE BENEFITS EXPENSE

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Salaries, wages and bonus | 18,404.84 | 17,091.03 |
| Contribution to provident and other funds | 1,375.70 | 1,256.38 |
| Expenses related to post employment defined benefit plan (refer Note 32) | 308.82 | 405.20 |
| Staff welfare expenses | 2,703.86 | 2,369.81 |
| Share based payments (equity settled) | 185.55 | 197.83 |
| **Total employee benefits expense** | **22,978.77** | **21,320.25** |

The Code of Social Security, 2020 ("the Code") relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect.



Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

### NOTE 25: FINANCE COSTS

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost* | 29,660.61 | 19,749.45 |
| Exchange differences to the extent considered as an adjustment to borrowing costs | 2,467.72 | 5,260.88 |
| Bank charges | 4,474.37 | 3,972.26 |
| Interest on income tax | - | 141.66 |
| **Total finance costs** | **36,602.70** | **29,124.25** |

* Net of amount included in the cost of qualifying assets.

### NOTE 26: DEPRECIATION AND AMORTISATION EXPENSE

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (refer Note 4(a)) | 20,802.68 | 17,310.39 |
| Amortisation of intangible assets (refer Note 4(d)) | 51.71 | 88.76 |
| Amortisation of right of use assets (refer Note 4(c)) | 212.64 | 116.16 |
| **Total depreciation and amortisation expense** | **21,067.03** | **17,515.31** |

### NOTE 27: OTHER EXPENSES

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Consumption of stores and spare parts | 6,415.17 | 4,996.20 |
| Consumption of packing materials | 9,174.66 | 8,989.11 |
| Chemical consumed | 2,896.54 | 3,111.29 |
| Catalysts consumed | 617.05 | 525.15 |
| Payment to contractors for bagging and other services | 6,957.12 | 6,165.52 |
| Power and fuel | 52,093.00 | 62,609.91 |
| Water charges | 1,646.80 | 1,425.18 |
| Rent [refer note (iii) below] | 485.79 | 1,234.38 |
| Rates and taxes | 100.50 | 3,155.89 |
| Insurance | 2,324.35 | 2,106.21 |
| Repairs and maintenance: | | |
| Plant and machinery | 6,105.57 | 4,872.59 |
| Buildings | 693.28 | 659.02 |
| Others | 953.91 | 856.92 |
| Selling and distribution expenses: | | |
| Freight and handling | 62,838.94 | 48,100.77 |
| Warehouse rent | 1,237.71 | 562.32 |
| Commission | 264.30 | 570.36 |
| Publicity and sales promotion expenses | 1,334.19 | 1,060.03 |
| Other selling expenses | 564.91 | 391.44 |
| Travelling and conveyance expenses | 1,156.44 | 959.63 |
| Professional, consultancy and legal expenses | 1,172.31 | 815.19 |
| Corporate social responsibility expenditure [refer note (ii) below] | 1,035.68 | 754.32 |
| Donation | 0.15 | 0.75 |
| Payment to statutory auditors [refer note (i) below] | 165.63 | 142.83 |

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Exchange differences (net) | 2,005.10 | 8,579.42 |
| Bad debts, claims and advances written off, net of provision of ₹ 46.89 (31st March 2023: ₹ 56.55) | 33.76 | 68.73 |
| Loss allowance | 797.88 | 1,239.90 |
| Loss on sale/discard of property, plant and equipment (net) | 2,431.13 | 1,511.90 |
| Miscellaneous expenses | 4,384.08 | 5,870.05 |
| **Total other expenses** | **1,69,885.95** | **1,71,335.01** |

**(i) Auditors' remuneration**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| As auditors | | |
| - Statutory audit | 55.00 | 55.00 |
| - Tax audit | 8.00 | 8.00 |
| - Other services | 93.00 | 72.62 |
| Reimbursement of expenses | 9.63 | 7.21 |
| | **165.63** | **142.83** |

**(ii) Corporate social responsibility**

The Company has spent ₹ 1,035.68 (31st March 2023: ₹ 669.13) towards various scheme of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. There is no unspent amount for the year ended 31 March 2024 (31st March 2023 : ₹85.27). The unspent amount for 2022-23 was transferred to the unspent CSR account as mandated under the Act and was allocated to the ongoing CSR projects. The details are as follows:

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| a. Gross amount required to be spent by the Company during the year | 884.50 | 754.31 |
| b (i) Amount spent during the year on construction /acquisition of any asset | - | - |
| b (ii) Amount spent during the year on purpose other than construction/ acquisition of any asset is as below: | | |
| - Skill Development and Livelihood promotion for marginalised households (Farm sector development) | 506.39 | 141.03 |
| - Promotion of Healthcare and WASH (Water, Sanitation and Hygiene) | 130.94 | 208.85 |
| - Promotion of Quality of Education and Educational Facilities in Villages | 156.98 | 159.85 |
| - Promotion of digital literacy program for unemployed youths and women | - | 29.01 |
| - Promote Environment and Biodiversity (Clean Energy etc.) | 118.73 | 31.96 |
| - Promotion of Sports at Villages and School Level | 22.15 | 17.49 |
| - Disaster mitigation, Emergency relief support and contingency | 13.13 | 21.82 |
| - Women Empowerment | - | 0.98 |
| - Community Asset and Rural infrastructure development | 65.01 | 52.63 |
| - Slum Area Development initiatives | - | 5.51 |
| - Need and impact assessment | 22.35 | - |
| **Total** | **1,035.68** | **669.13** |



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**(iii) Leases**

**Short-term leases**

The Company leases office which are considered to be short-term leases as the agreement is for the period of 12 months and below.

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Expenses relating to short-term leases | 485.79 | 1,234.38 |
| Total cash outflow for leases | 485.79 | 1,234.38 |

Lease payments for short-term leases not included in the measurement of the lease liability and are classified as cash flows from operating activities.

## NOTE 28: EARNINGS PER SHARE

**A. Basic and diluted earnings per share**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| (i) Profit for the year, attributable to the equity holders of the Company | 9,924.22 | 30,368.74 |
| (ii) Weighted average number of equity shares - Nominal value of shares at ₹10 each ^ | | |
| Basic (a) | 81,46,73,086 | 77,97,86,595 |
| Impact of employee stock option plans (b) | 9,39,834 | 3,52,373 |
| Diluted (c = a + b) | 81,56,12,920 | 78,01,38,968 |
| (iii) Earnings per share | | |
| (Basic) [(i)/ (ii)] | 1.22 | 3.89 |
| (Diluted) [(i)/ (ii)] | 1.22 | 3.89 |

Note:- The calculation of basic include impact of shares issued during the year. The calculation of diluted weighted average number of shares include impact of employee share option plans.

## NOTE 29: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Claims against company not acknowledged as debt** | | |
| Subsidy withheld (refer Note (a) below) | 5,352.12 | 5,352.12 |
| Goods and services tax demand | 465.85 | 182.72 |
| Entry tax demand on imported raw materials including interest and penalty | 2,909.39 | 2,909.39 |
| Sales tax/VAT/CST demands | 10,561.64 | 10,561.64 |
| Central Excise demands | 234.14 | 234.14 |
| Service tax demand | 88.80 | 88.80 |
| Custom duty and counterveiling duty | 582.44 | 582.44 |
| Income tax demands | 217.94 | 284.33 |
| Demand under Goa green Cess Act 2013 | 5,348.85 | 4,291.34 |
| Others claims against the Company not acknowledged as debt (refer Note (b) below) | 4,448.83 | 3,868.12 |

**a) Subsidy withheld**

Department of Fertiliser, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to ₹ 5352.12, being the subsidy amount including freight subsidy. The amount has been withheld on the

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

basis of samples collected by the Department from Mundra Port which were reported to be deficient on account of water soluble P2O5 content as per Fertiliser Control Order (FCO) but there was no deficiency as regards to the nutrient content. The Company has represented to the Department of Fertilisers to re -examine the case on the following grounds – (a) Failure is on account of water solubility and not on account of nutrient content. The nutrient content on which the Nutrient Based Subsidy is paid meets the FCO specifications (b) Water Solubility is more than 85% of the total P2O5 (c) All precautions were taken at the load port on having an international recognised inspection agency based on which the goods were shipped and dispatched and (d) The intimation on the original sample failure as well as the referee sample failure were received long after materials were dispatched well beyond the dispatch of the material to various destinations. Based on the revised notification from GOI dated 6th February, 2017, water soluble P2O5 content of DAP is revised to 39.5% instead of 41%. DAP import for which the amount withheld has water soluble content of 39.53%. Further, vide Notification no 3-9/2008 Fert Law dated 18th November 2011 in which Triple Super Phosphate (TSP) with total P2O5 content of 46% and water soluble content of only 36.8% has been allowed to be imported and paid subsidy for 46% of P2O5. Based on above, the Company has made a representation that as per revised notification, water soluble content is as per norms and further permitting a product with same total P2O5 and less water soluble P2O5 as standard and declaring a product imported by the Company with 39.53% as non- standard is not fair. The Company is confident to receive a favorable outcome.

**b) Others claims against the Company not acknowledged as debt**

It includes the following:

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Penal interest on loan from Government of India, due to delay | 344.43 | 344.43 |
| Industrial dispute and miscellaneous labour cases pending at various forums at different stages of dispute. | 491.90 | 493.99 |
| Interest on water charges due to delay in payments | 3,608.87 | 2,845.49 |
| Others | 3.63 | 184.21 |
| | **4,448.83** | **3,868.12** |

Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in the above mentioned cases and hence, no provision is considered necessary. The above has been compiled based on the information and records available with the Company.

## NOTE 30: COMMITMENTS

**Capital commitments**

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances | 14,013.50 | 16,206.88 |

## NOTE 31: OPERATING SEGMENTS

**a. Basis of segmentation**

The Company's business activity falls within a single Operating Segment "Fertilisers and Other Trading Materials", and thus no further disclosures are required in accordance with Indian Accounting Standard (Ind AS)– 108 "Operating Segment".

**b. Geographic information**

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



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 32: DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS'

**Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1976. The scheme is funded with Life insurance Corporation of India (LIC) in the form of qualifying insurance policy. The Company undertakes all the risk pertaining to the plan.

**Post Retirement medical benefit plan**

The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company.

**Provident fund**

The Company has set up provident fund trust wherein contributions are made and accordingly the same is considered as a defined benefit plan in accordance with Ind-AS 19, Employee Benefits, wherein provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. During the current year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by the Institute of Actuaries.

**A. Defined contribution plan:**

The amount provided for defined contribution plans are follows:

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Pension Scheme | 217.38 | 203.07 |
| Superannuation Fund | 190.39 | 195.07 |
| National Pension Scheme | 188.65 | 148.69 |
| **Total** | **596.42** | **546.83** |

**B. Gratuity and other post-employment benefit plans:**

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Gratuity Plan - (Liability) | (1,118.00) | (538.08) |
| Post retirement medical benefits plan - (Liability) | (82.35) | (154.44) |

**C. Other long term employee benefits:**

The amount provided for during the year is as follows:

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Leave encashment | 573.54 | 718.01 |

**D. Reconciliation of the net defined benefit (asset)/ liability**

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

## Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**Gratuity plan:**

| Particulars | 31st March 2024 | | | 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | Defined benefit obligation | Fair value of plan assets | Benefit (liability) | Defined benefit obligation | Fair value of plan assets | Benefit (liability) |
| **Balance at the beginning of the year** | (6,713.30) | 6,175.21 | (538.08) | (5,500.19) | 3,729.15 | (1,771.05) |
| **Adjustment on account of business acquisition (refer Note 44)** | - | - | - | (1,401.08) | 1,196.67 | (204.41) |
| **Included in Profit or loss** | | | | | | |
| Current service cost | (268.65) | - | (268.65) | (266.52) | - | (266.52) |
| Past service cost | - | - | - | - | - | - |
| Net interest expense/income | (501.20) | 461.03 | (40.18) | (479.47) | 340.79 | (138.68) |
| | **(769.85)** | **461.03** | **(308.82)** | **(745.99)** | **340.79** | **(405.20)** |
| **Included in OCI** | | | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | - | (39.21) | (39.21) | - | (23.93) | (23.93) |
| Actuarial loss (gain) arising from experience adjustment | (132.15 | - | (132.15 | 77.07 | - | 77.07 |
| Changes in financial assumptions | (171.00) | - | (171.00) | 15.82 | - | 15.82 |
| Changes in demographic assumptions | - | - | - | - | - | - |
| | **(303.15)** | **(39.21)** | **(342.36)** | **92.89** | **(23.93)** | **68.96** |
| **Others** | | | | | | |
| Benefits paid | 897.93 | (897.93) | - | 838.46 | (838.46) | - |
| Contributions paid by employer | - | 54.50 | 54.50 | - | 1,771.00 | 1,771.00 |
| Other adjustments | 16.77 | - | 16.77 | 2.62 | - | 2.62 |
| **Balance at the end of the year** | **(6,871.60)** | **5,753.60** | **(1,118.00)** | **(6,713.30)** | **6,175.21** | **(538.08)** |

**Post retirement medical benefits plan:**

| Particulars | 31st March 2024 | | | 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | Defined benefit obligation | Fair value of plan assets | Benefit (liability) | Defined benefit obligation | Fair value of plan assets | Benefit (liability) |
| **Balance at the beginning of the year** | (154.44) | - | (154.44) | (166.03) | - | (166.03) |
| **Included in Profit or loss** | | | | | | |
| Current service cost | - | - | - | - | - | - |
| Past service cost | - | - | - | - | - | - |
| Net interest expense/income | (11.53) | - | (11.53) | (11.78) | - | (11.78) |
| | **(11.53)** | **-** | **(11.53)** | **(11.78)** | **-** | **(11.78)** |
| **Included in OCI** | | | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | - | - | - | - | - | - |
| Actuarial loss (gain) arising from experience adjustment | 85.51 | - | 85.51 | 18.99 | - | 18.99 |



## Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars | 31st March 2024 | | | 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | Defined benefit obligation | Fair value of plan assets | Benefit (liability) | Defined benefit obligation | Fair value of plan assets | Benefit (liability) |
| Changes in financial assumptions | (1.89) | - | (1.89) | 4.38 | - | 4.38 |
| Changes in demographic assumptions | - | - | - | - | - | - |
| | **83.62** | **-** | **83.62** | **23.37** | **-** | **23.37** |
| **Balance at the end of the year** | **(82.35)** | **-** | **(82.35)** | **(154.44)** | **-** | **(154.44)** |

**E. Investment pattern in plan assets:**

| Particulars | As at 31st March 2024 Gratuity Fund | As at 31st March 2023 Gratuity Fund |
|---|---|---|
| Investment with insurers | 100.00% | 100.00% |

**F. Economic assumptions**

| Particulars | As at 31st March 2024 % | As at 31st March 2023 % |
|---|---|---|
| **Discount rate:** | | |
| Gratuity plan | 7.15% | 7.45% |
| Post retirement medical benefits | 7.15% | 7.45% |
| **Future salary increase:** | | |
| Gratuity plan | 8% for first two years and 6.50% thereafter | 8% for first two years and 6.50% thereafter |

**G. Sensitivity analysis**

**Gratuity plan:**

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Assumption: Discount rate | | | |
| Sensitivity level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | (374.96) | 425.76 | (369.70) | 417.46 |
| | Assumption: Future salary increase | | | |
| Sensitivity level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | 310.26 | (302.82) | 311.20 | 438.32 |

**Post retirement medical benefits plan:**

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Assumption: Discount rate | | | |
| Sensitivity level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | (6.04) | 6.87 | (11.45) | 13.07 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**H. Maturity Profile of Defined benefit obligation:**

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Gratuity Fund | Post retirement medical benefits plan | Gratuity Fund | Post retirement medical benefits plan |
| Within next 12 months | 1,207.17 | 5.94 | 880.38 | 11.15 |
| Between 2 and 5 years | 3,911.39 | 25.20 | 3,987.37 | 47.67 |
| Between 6 and 10 years | 2,429.03 | 34.16 | 2,951.26 | 64.59 |
| Beyond 10 Years | 4,267.31 | 78.97 | 4,082.76 | 160.47 |

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting year is 5 years ( 31st March 2023: 5 years).

The Company expects to contribute ₹ 1,385.71 (31st March 2023: ₹ 313.88) and ₹ 849.64 (31st March 2023: ₹ 642.30) to gratuity trust and provident fund trust respectively in the next financial year.

**I. Risk exposure**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above defined benefit which are as follows:

| | |
|---|---|
| Interest rate risk | The present value of defined benefit obligation is determined using the discount rate based on the market yield prevailing at the end of the reporting period on Government Bonds. A decrease in yield will increase the fund liabilities and vice-versa. |
| Investment Risk | This may arise from volatility in the assets value due to market fluctuation and impairment of assets due to credit losses. These plan assets are invested with LIC - the valuation of which is inversely proportional to the interest rate movements. |
| Inherent risk | The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk. |
| Salary escalation risk | The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
| Withdrawal risk | Deviations in actual withdrawal than assumed withdrawals and change of withdrawal rates at subsequent valuation can impact plan liability. |

## NOTE 33: RELATED PARTY DISCLOSURE

**A. Name of Related Parties**

**Holding Company**
Zuari Maroc Phosphates Private Limited

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

**Subsidiary of the Joint Venturer of the Holding Company**
Mangalore Chemicals and Fertilisers Limited
Zuari FarmHub Limited



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**Party having significant influence**
Zuari Industries Limited (Erstwhile Zuari Global Limited)
Zuari Management Services Limited
Zuari Infraworld India Limited
Zuari IAV Private Limited
Simon India Limited
Phosphates De Boucraa SA
Pakistan Maroc Phosphore
Jorf Fertiliser SA
Adventz Finance Private Limited

**Joint Venture of Joint Venturer of the Holding Company**
Indo Maroc Phosphare S.A. Morocco

**Associate of the Company**
Zuari Yoma Agri Solutions Limited

**Key Managerial Personnel**
Mr. N. Suresh Krishnan, Managing Director
Mr. K K Rajeev Nambiar, President & Chief Operating Officer (w.e.f. 3 January 2024)
Mr. Sabaleel Nandy, President & Chief Operating Officer (w.e.f. 1 August 2020 upto 31 March 2023)
Mr. Bijoy Kumar Biswal, Chief Financial Officer
Mr. Sachin Patil, Company Secretary

**Directors**
Mr. S. K. Poddar, Chairman
Mr. Karim Lotfi Senhadji, Director
Ms. Kiran Dhingra, Independent Director (upto 26 July 2023)
Mr. Marco P.A. Wadia, Independent Director
Mr. Satyananda Mishra, Independent Director
Mr. Dipankar Chatterji, Independent Director
Mr. Subhrakanta Panda, Independent Director
Mrs. Rita Menon, Independent Director (w.e.f. 27 June 2023)

**Enterprise where Director is interested**
Lionel India Limited

**Employee benefit trust**
PPL Employee's Provident Fund

**B. Transactions :**

| Name of Related Party | Sl. No. | Nature of Transactions | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|---|
| Indo Maroc Phosphare S.A. Morocco | a) | Purchase of raw materials (Phosphoric acid) | 95,780.05 | 2,19,839.79 |
| | b) | Other expenses (Demurrage Expenses) | 28.36 | 64.54 |
| | c) | Other expenses (Claims Written off) | - | (26.15) |
| OCP S.A., Morocco | a) | Purchase of raw materials (Rock phosphate) | 72,599.49 | 1,46,793.05 |
| | b) | Purchase of raw materials (Phosphoric acid) | 54,301.72 | 19,101.70 |

Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

| Name of Related Party | Sl. No. | Nature of Transactions | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|---|
| | d) | Other expenses (Claims Written off) | 0.76 | |
| | e) | Other expenses (Despatch money / Demurrage expenses) | 185.79 | 584.13 |
| Phosphates De Boucraa S.A | a) | Purchase of raw materials (Rock phosphates) | 1,16,557.88 | 60,076.25 |
| | b) | Other expenses (Demurrage Expenses) | 211.32 | 53.80 |
| Jorf Fertiliser SA | a) | Purchase of stock-in-trade (Imported DAP) | - | - 60.22 |
| Zuari Agro Chemicals Limited | a) | Sale of fertilisers and high sea sale | 4,617.41 | 7,653.04 |
| | b) | Purchase of fixed assets | 255.00 | - |
| | c) | Purchase of raw material for tolling | - | 3,503.49 |
| | d) | Other Expenses (Recovery of reimbursement of expenses) | 121.68 | - |
| | e) | Other expenses (Branding commission) | - | 106.09 |
| | f) | Other expenses (Exchange gain) | - | - 52.91 |
| | g) | Other expenses (power and fuel) | - | 478.42 |
| | h) | Other expenses (Demurrage) | - | 16.21 |
| | i) | Other expenses (Tolling charges) | - | 642.24 |
| | j) | Other expenses (Rent) | 97.89 | 4.00 |
| | k) | Other income (Interest others) | 262.71 | 55.64 |
| | l) | Recovery of expenses | - | 25.64 |
| | m) | Purchase of business | - | 1,68,797.46 |
| Zuari Industries Limited (Erstwhile Zuari Global Limited) | a) | Other expenses (Lease rent) | 1.11 | 8.09 |
| Zuari FarmHub Limited | a) | Sale of fertilisers | 18,425.66 | 21,091.58 |
| | b) | Other income (amount written back) | - | 2.80 |
| | c) | Other income (Misc income) | 694.89 | - |
| | d) | Recovery of expenses | 28.62 | 18.22 |
| | e) | Other Expenses (Reimbursement of expenses) | 12.70 | - |
| Simon India Limited | a) | Purchase of fixed asset | 3.12 | 6.17 |
| | b) | Advance written off | 24.19 | - |
| | c) | Other income | - | 42.53 |
| | d) | Other Expenses (Reimbursement of expenses) | 68.92 | 60.14 |
| Zuari Management Services Limited | a) | Other Expenses (Reimbursement of expenses) | 789.22 | 693.24 |
| | b) | Recovery of expenses | - | 11.94 |
| Mangalore Chemicals and Fertilisers Limited | a) | Sale of Ammonia and sulphuric acid | 12,419.18 | 3,697.12 |
| | b) | Purchase of raw material | 97.36 | - |
| | e) | Other Expenses (Reimbursement of expenses) | 43.10 | 0.04 |
| | f) | Recovery of expenses | - | 4.25 |
| Lionel India Limited | a) | Other expenses (Purchase of air ticket) | 241.18 | 190.09 |



Notes to the standalone financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

| Name of Related Party | Sl. No. | Nature of Transactions | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|---|
| Adventz Finance Private Limited | a) | Other Expenses (Rent) | 214.43 | 132.29 |
| | b) | Other Expenses (Recovery of reimbursement of expenses) | - | 8.97 |
| | c) | Rent advance | - | 34.20 |
| | d) | Security deposit paid | - | 18.00 |
| Zuari IAV Private Limited | a) | Other Expenses (Reimbursement of expenses) | - | 0.79 |
| Zuari Maroc Phosphates Private Limited | a) | Recovery of expenses | 9.63 | 1,354.80 |
| | b) | Purchase of Raw material-Sulphuric Acid & Ammonia | 1,039.70 | |
| | c) | Dividend paid | 2,284.71 | |
| PPL Employee's Provident Fund | a) | Employee benefits expense (Contribution to provident fund) | 588.32 | 568.66 |
| Mr. N Suresh Krishnan | a) | Managerial remuneration* | 450.82 | 417.61 |
| Mr. K K Rajeev Nambiar | a) | Remuneration * | 56.24 | - |
| Mr. Sabaleel Nandy | a) | Remuneration | 48.97 | 164.65 |
| Mr. Bijoy Kumar Biswal | a) | Remuneration * | 84.39 | 64.47 |
| Mr. Sachin Patil | a) | Remuneration * | 23.00 | 23.60 |
| Mr. Saroj Kumar Poddar | a) | Director Sitting Fee and commission | 10.00 | - |
| Ms. Kiran Dhingra | a) | Director Sitting Fee and commission | 12.50 | 6.45 |
| Mr. Marco P.A. Wadia | a) | Director Sitting Fee and commission | 5.00 | 4.30 |
| Mr. Satyananda Mishra | a) | Director Sitting Fee and commission | 17.20 | 5.90 |
| Mr. Dipankar Chatterjee | a) | Director Sitting Fee and commission | 16.60 | 5.35 |
| Mr. Subhrakanta Panda | a) | Director Sitting Fee and commission | 12.50 | 3.00 |
| Mrs. Rita Menon | a) | Director Sitting Fee | 3.10 | - |

* The managerial remuneration to key management personnel include expenses related to post employement plans ₹16.70 and share based payments ₹24.07.

**C. Balance outstanding**

| Particulars | Sl. No. | Nature of Transactions | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|---|
| Indo Maroc Phosphare S.A. Morocco | a) | Trade payables - Purchase of raw material | 401.04 Cr | 51,568.78 Cr |
| | b) | Claims receivable | 5,673.10 Dr | 4,862.38 Dr |
| OCP S.A., Morocco | a) | Trade Payable - Purchase of raw material | 27,102.93 Cr | 2895.21 Cr |
| | b) | Claims receivable | 17,861.23 Dr | 19,551.64 Dr |
| | c) | Trade payables - Reimbursement of expenses | - | 38.30 Dr |
| Pakistan Maroc Phosphore SA | a) | Trade payables - Purchase of raw material | 9.96 Cr | 9.82 Cr |
| Phosphates De Boucraa S.A | a) | Trade Payables - Purchase of raw material | 29,891.05 Cr | 22,308.56 Cr |
| | b) | Claims receivable | 24,098.23 Dr | 8,142.49 Dr |
| Jorf Fertiliser SA | a) | Trade Payables - Purchase of raw material | 52.40 Cr | 96.22 Cr |
| | b) | Trade Payables - Purchase of traded material | 39.17 Dr | 83.19 Dr |
| | c) | Claims receivable | - | - |

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars | Sl. No. | Nature of Transactions | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|---|
| Zuari Yoma Agri Solutions Limited | a) | Investment in associate | 365.60 Dr | 365.60 Dr |
| | b) | Other receivable - Reimbursement of expenses | 56.18 Dr | 56.18 Dr |
| Zuari Agro Chemicals Limited | a) | Trade receivables - Sale of fertilisers | 4,052.23 Dr | 3,990.46 Dr |
| | b) | Other financial liabilities - payable against business acquisition | - | 1,434.89 Cr |
| | c) | Other financial assets-Interest receivables | 318.34 Dr | 55.63 Dr |
| | d) | Trade receivable - Reimbursement of expenses | 48.77 Dr | 87.86 Cr |
| | e) | Trade payables - Branding commission | 106.09 Cr | 106.09 Cr |
| | f) | Trade receivable - Rent | 8.64 Cr | 4.00 Cr |
| | g) | Trade receivables - Recovery of expenses | 32.03 Dr | 25.64 Dr |
| | h) | Capital Advance - Advance for Purchase of Land | 1,191.45 Dr | 1,100 Dr |
| Zuari Industries Limited (Erstwhile Zuari Global Limited) | a) | Trade payable - Lease Rent | - | 27.79 Cr |
| Zuari FarmHub Limited | a) | Trade receivables - Sale of Fertilisers | 6,399.28 Dr | 7,535.78 Dr |
| | b) | Trade receivables - Recovery of expenses | 5.87 Dr | 18.22 Dr |
| Simon India Limited | a) | Capital advance - Purchase of fixed asset | - | 24.19 Dr |
| | b) | Advance to vendors | 1.09 Dr | - |
| | c) | Trade Payable - Reimbursement of expenses | 4.24 Cr | 0.46 Dr |
| Zuari Management Services Limited | a) | Trade Payables - Reimbursement of expenses | 33.20 Cr | 18.86 Cr |
| Zuari Infraworld India Limited | a) | Advance to vendors - Reimbursement of expenses | 1.34 Dr | 1.34 Dr |
| | b) | Trade Payable - Reimbursement of expenses | 24.26 Dr | 5.06 Cr |
| | c) | Security deposit | - | 29.32 Dr |
| Mangalore Chemicals and Fertilisers Limited | a) | Advance to vendors - Purchase of fertiliser | - | 114.99 Dr. |
| | b) | Trade Receivables - High sea sale of raw material | 0.03 Dr | 3,693.47 Dr |
| | c) | Trade payables - Other expenses | 0.12 Dr | - |
| Lionel India Limited | a) | Trade payables - Purchase of air ticket | 38.63 Cr | 0.26 Cr |
| Adventz Finance Private Limited | a) | Security deposit | 60.00 Dr | 60.00 Dr |
| | b) | Trade Payables - Rent | 5.61 Cr | - |
| | c) | Advance to vendors - rent | - | 34.20 Dr |
| Zuari Maroc Phosphates Private Limited | a) | Other payable | - | 13.54 Cr |
| | b) | Trade payables | 1,039.13 Cr | - |
| Mr. Sabaleel Nandy | a) | Remuneration | - | 12.25 Cr |
| PPL Employee's Provident Fund | a) | Contribution to provident fund | 49.96 Cr | 47.32 Cr |



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 34: FINANCIAL INSTRUMENTS - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

**(a) Accounting classifications and fair values:**

| | Fair Value Hierarchy | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| Derivative financial liabilities | Level 2 | - | 1,628.93 |
| Derivative financial assets | Level 2 | 210.31 | - |

| Particulars | For the year ended 31st March 2024 | | | | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost * | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | |
| **Current financial assets** | | | | | | |
| Trade receivables | - | - | 2,72,047.93 | - | - | - |
| Cash and cash equivalents | - | - | 9,071.79 | - | - | - |
| Other bank balances | - | - | 2,730.57 | - | - | - |
| Derivative financial asset | 210.31 | - | - | - | 210.31 | - |
| Claims receivable | - | - | 48,424.38 | - | - | - |
| Interest receivable on deposits, receivables etc | - | - | 380.02 | - | - | - |
| Receivables from Gas pool operator | | | 1,348.16 | | | |
| Other receivables from related parties | - | - | 56.18 | - | - | - |
| **Total financial assets** | **210.31** | **-** | **3,34,059.03** | **-** | **210.31** | **-** |
| **Financial liabilities** | | | | | | |
| **Non-current financial liabilities** | | | | | | |
| Borrowings | - | - | 67,650.58 | - | - | - |
| Lease liabilities | | | 1,722.29 | | | |
| **Current financial liabilities** | | | | | | |
| Borrowings | - | - | 3,31,786.96 | - | - | - |
| Lease liabilities | - | | 210.89 | | | |
| Trade and other payables | - | - | 1,57,933.07 | - | - | - |
| Security deposits | - | - | 13,334.09 | - | - | - |
| **Total financial liabilities** | **-** | **-** | **5,72,637.88** | **-** | **-** | **-** |

| Particulars | As at 31st March 2023 | | | As at 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost * | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | |
| **Current financial assets** | | | | | | |
| Trade receivables | - | - | 3,68,973.75 | - | - | - |
| Cash and cash equivalents | - | - | 4,303.42 | - | - | - |
| Other bank balances | - | - | 6,681.98 | - | - | - |
| Other current financial assets | | | | | | |
| Claims receivable | - | - | 32,587.91 | - | - | - |
| Interest receivable on deposits, receivables etc | - | - | 126.68 | - | - | - |

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars | As at 31st March 2023 | | | As at 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost * | Level 1 | Level 2 | Level 3 |
| Receivables from Gas pool operator | | | 961.03 | | | |
| Other receivables from related parties | - | - | 42.65 | - | - | - |
| **Total financial assets** | **-** | **-** | **4,13,677.42** | **-** | **-** | **-** |
| **Financial liabilities** | | | | | | |
| **Non-current financial liabilities** | | | | | | |
| Borrowings | - | - | 61,188.79 | - | - | - |
| Lease liabilities | | | 1,603.78 | | | |
| Other non-current financial liabilities | - | - | 180.42 | - | - | - |
| **Current financial liabilities** | | | | | | |
| Borrowings | - | - | 4,01,921.53 | - | - | - |
| Lease liabilities | | | 77.32 | | | |
| Trade and other payables | - | - | 2,00,817.27 | - | - | - |
| Derivatives financial liabilities | 1,628.93 | - | - | - | 1,628.93 | - |
| Security deposits | - | - | 12,804.58 | - | - | - |
| **Total financial liabilities** | **1,628.93** | **-** | **6,78,593.69** | **-** | **1,628.93** | **-** |

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

The fair value of investments in mutual funds is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published NAV statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuer will redeem such units from the investors.

The fair value of derivatives is determined using quoted forward exchange rates at the reporting date.

There has been no transfer between level 1, level 2 and level 3 during the year.

**(b) Class of the carrying amounts and fair value of the Company's financial instruments:**

| Particulars | Carrying value | | Fair value | |
|---|---|---|---|---|
| | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2024 | As at 31st March 2023 |
| **Financial assets** | | | | |
| Investments | - | - | - | - |
| **Others:** | | | | |
| Derivative financial assets | 210.31 | - | 210.31 | - |
| **Total financial assets** | **210.31** | **-** | **210.31** | **-** |
| **Financial liabilities** | | | | |
| **Borrowings** | | | | |
| Long term borrowings (Floating rate) | 67,650.58 | 61,188.79 | 67,650.58 | 61,188.79 |
| Lease liabilities | 1,722.29 | 1,603.78 | 1,722.29 | 1,603.78 |
| **Others:** | | | | |
| Derivative financial liabilities | - | 1,628.93 | - | 1,628.93 |
| Employee related dues | - | 180.42 | - | 180.42 |
| **Total financial liabilities** | **69,372.87** | **64,601.92** | **69,372.87** | **64,601.92** |

The management assessed that cash and cash equivalents, other bank balance, trade receivables, other current financial assets (except derivative financial assets), trade payables, short term borrowings and other current financial liabilities (except derivative financial liabilities) approximate their fair value largely due to the short-term maturities of these instruments.



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## NOTE 35: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative contracts. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**A Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Financial assets**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

**Trade receivables**

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigates the credit risk to some extent.

| Reconciliation of loss allowance on: | Trade receivables amount | Other financial assets amount |
|---|---|---|
| Balance as at 1st April 2022 | 4,515.03 | 209.79 |
| Movement during the year | 1,235.84 | - |
| Balance as at 31st March 2023 | 5,750.87 | 209.79 |
| Movement during the year | 618.26 | - |
| **Balance as at 31st March 2024** | **6,369.13** | **209.79** |

**B Liquidity risk**

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31st March 2024:

| Particulars | Carrying amount | Less than 1 year | 1-5 Years | > 5 years |
|---|---|---|---|---|
| Trade payables | 1,48,811.73 | 1,48,811.73 | - | - |
| Borrowings (including current maturities of non-current borrowings) | 3,99,437.54 | 3,31,786.96 | 67,650.58 | - |
| Other financial liabilities | 22,455.43 | 22,455.43 | - | - |
| Lease liabilities | 1,933.18 | 304.47 | 1,167.39 | 1,826.60 |
| **Total** | **5,72,637.88** | **5,03,358.59** | **68,817.97** | **1,826.60** |

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31st March 2023:

| Particulars | Carrying amount | Less than 1 year | 1-5 Years | > 5 years |
|---|---|---|---|---|
| Trade payables | 1,91,247.67 | 1,91,247.67 | - | - |
| Borrowings (including current maturities of non-current borrowings) | 4,63,110.32 | 4,01,921.53 | 61,188.79 | - |
| Other financial liabilities | 24,183.53 | 24,003.11 | 180.42 | - |
| Lease liabilities | 1,681.10 | 199.60 | 1,054.18 | 1,838.07 |
| **Total** | **6,80,222.62** | **6,17,371.91** | **62,423.39** | **1,838.07** |

**C Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in other market variables. Refer sensitivity analyses below.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2024 and 31st March 2023.

**(a) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

**Sensitivity analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with ₹, with all other variables held constant. The impact on the Company's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. Refer Note 37 for details on foreign currency exposure.



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars | Profit and loss | |
|---|---|---|
| | As at 31st March 2024 | As at 31st March 2023 |
| INR/USD strengthening [5% movement] | 959.95 | (81.11) |
| INR/USD weakening [5% movement] | (959.95) | 81.11 |
| INR/EURO strengthening [5% movement] | (474.64) | (161.37) |
| INR/EURO weakening [5% movement] | 474.64 | 161.37 |

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages fund requirements and performs sensitivity analysis to keep interest rate risk within limits.

**Sensitivity analysis**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

| Particulars | Profit and loss | |
|---|---|---|
| | As at 31st March 2024 | As at 31st March 2023 |
| **Borrowings** | | |
| Variable rate instruments - increase by 50 basis points | (1,239.34) | (1,021.33) |
| Variable rate instruments - decrease by 50 basis points | 1,239.34 | 1,021.33 |
| **Foreign Currency Borrowings-USD** | | |
| Variable rate instruments - increase by 50 basis points | (758.50) | (1,294.22) |
| Variable rate instruments - decrease by 50 basis points | 758.50 | 1,294.22 |

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

**(c) Commodity price risk**

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and muriatic potash. All being international commodities is subject to price fluctuation on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertiliser industry based on the market trend.

## NOTE 36: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital keeping in view the adequate interest and debt service coverage ratio.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

### NOTE 37: UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Forward contract outstanding as at 31 March 2024, against import of goods is ₹ 198,038.68 (31 March 2023: ₹ 334,293.05).

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

| | As at 31 March 2024 | | | As at 31 March 2023 | | |
|---|---|---|---|---|---|---|
| | (USD in Million) | (EURO in Million) | (₹ In Lakhs) | (USD in Million) | (EURO in Million) | (₹ In Lakhs) |
| **Liabilities:** | | | | | | |
| Trade Payable and Creditors for Property Plant and Equipment (including acceptance) | 36.44 | 3.17 | 33,246.73 | 37.99 | - | 31,218.23 |
| Short term borrowings- Buyers and Suppliers Credit | - | 7.26 | 6,524.25 | 5.96 | - | 4,897.81 |
| Other Interest accrued but not due on borrowings | 1.34 | 0.13 | 1,236.00 | 2.39 | 0.02 | 1,982.34 |
| **Assets:** | | | | | | |
| Claims receivable | 60.80 | - | 50,713.20 | 40.46 | - | 33,248.76 |

### NOTE 38: RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES.

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Balance at the beginning of the year | | |
| - Non-current borrowings | 61,188.79 | 52,817.08 |
| - Current borrowings | 4,01,921.53 | 2,42,612.49 |
| Cash flows | | |
| - Proceeds/(Repayment) of non-current borrowings | 8,797.71 | 25,704.06 |
| - Proceeds/(Repayment) of current borrowings | (74,002.84) | 1,28,580.21 |
| Non-cash changes - represents foreign exchange fluctuation and unwinding of interest | 1,532.35 | 13,396.48 |
| Balance at the end of the year | | |
| - Non-current borrowings | 67,650.58 | 61,188.79 |
| - Current borrowings | 3,31,786.96 | 4,01,921.53 |

### NOTE 39

a) The Company, in an earlier year, had received an Arbitration Award in its favour in the matter of Cargo Charges Tariff dispute with Paradeep Port Trust (PPT) for the years 1993–1999. PPT in earlier year had appealed with the higher authorities against such award which was confirmed by the Appellate Authority. However, as against the above order, the PPT went into further appeal with the Hon'ble High Court of Odisha and the High Court in its interim order directed the Company not to execute award at this stage. The Company has not recognised this award as income in the Statement of Profit and Loss.

b) Paradeep Port Trust (PPT) proposed a revision in scale of rates applicable to the Company for cargo handling in the captive berth w.e.f. 1st April 1999. The matter was referred to Tariff Authority of Major Ports (TAMP) on mutual consent of the parties under the direction of Hon'ble High Court of Odisha. During the previous year, TAMP had finalised the rates, but PPT had not agreed with the order and proceeded with a writ petition before the Hon'ble High Court of Odisha against the said order. Pending disposal of the case, the Company has not recognised the amount receivable from PPT towards the excess amount paid over the applicable TAMP order.

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

### NOTE 40

During the year, a sum of ₹ 162.01 (31st March 2023: ₹ 119.14) including capital expenditure of ₹ 45.22 (31st March 2023: ₹ 0.95) was spent on research and development (excluding depreciation charge).

### NOTE 41 : ANALYTICAL RATIOS

| Ratio | Numerator | Denominator | Current year | Previous year | % change |
|---|---|---|---|---|---|
| Current ratio (in times) | Total current assets | Total current liabilities | 1.10 | 1.10 | 0% |
| Debt-Equity ratio (in times) | Total borrowings | Total equity | 1.12 | 1.32 | (15%) |
| Debt service coverage ratio (in times) (Note a) | Earning for Debt Service = Profit for the year + Interest expenses + Depreciation and amortisation expenses + Other non-cash adjustments | Debt service = Interest + Principal repayments | 0.93 | 1.24 | (25%) |
| Return on equity ratio (in %) (Note b) | Profit for the year | Average total equity | 2.81% | 10.60% | (74%) |
| Inventory turnover ratio (in times) | Revenue from operations | Average inventory | 5.68 | 5.89 | (3%) |
| Trade receivables turnover ratio (in times) (Note c) | Revenue from operations | Average trade receivables | 3.54 | 5.68 | (38%) |
| Trade payables turnover ratio (in times) | Purchase of raw materials and traded goods | Average trade payables | 5.06 | 5.16 | (2%) |
| Net capital turnover ratio (in times) (Note c) | Revenue from operations | Average working capital (i.e. Total current assets less Total current liabilities) | 20.02 | 37.88 | (47%) |
| Net profit ratio (in %) (Note d) | Profit for the year | Revenue from operations | 0.86% | 2.28% | (62%) |
| Return on capital employed (in %) | Profit before tax and finance costs | Capital employed = Tangible Net worth + Total debt + Deferred tax liabilities | 6.57% | 8.70% | (24%) |

**Notes:**

a The % change is primarily on account of lower profits earned during the year.

b The % change is primarily on account of lower profits earned during the year.

c The % change is primarily on account of decrease in turnover during the year on account of lower subsidy revenue.

d The % change is primarily on account of lower profits earned during the year.

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 42(A) : EMPLOYEE SHARE BASED PAYMENT

Pursuant to the resolutions passed by the Board and by the Shareholders on 10th August 2021, the Company approved 'PPL Employees Stock Option Plan 2021 ("ESOP 2021")' is in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

The details of ESOPs are as under:

| Vesting conditions | Exercise period | Date of Grant | Numbers of options granted | Exercise price per share |
|---|---|---|---|---|
| On continued employment with the Company | 3 years from date of each vesting | 29th April 2022 | 24,00,058 | ₹42 |
| On continued employment with the Company | 3 years from date of each vesting | 20th June 2023 | 8,14,435 | ₹51 |
| On continued employment with the Company | 3 years from date of each vesting | 5th February 2024 | 4,38,319 | ₹51 to ₹64 |

**Vesting schedule :**

Vesting schedule of the said options granted on 29th April 2022, 20th June 2023 and 5th February 2024 was as follows:

- After 12 Months from the date of grant : 30% of the options granted

- After 24 Months from the date of grant : 35% of the options granted

- After 36 Months from the date of grant : 35% of the options granted

The Exercise period shall not be more than 3 (Three) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

**The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:**

| Particulars | | | | | | |
|---|---|---|---|---|---|---|
| Grant date | 29th April 2022 | 20th June 2023 | 5th February 2024 | 5th February 2024 | 5th February 2024 | 5th February 2024 |
| Fair value at grant date(₹) | 16.36 | 31.03 | 46.43 | 43.94 | 42.52 | 40.28 |
| Share price at grant date(₹) | 41 | 63.20 | 80.90 | 80.90 | 80.90 | 80.90 |
| Exercise price(₹) | 42 | 51 | 51 | 56 | 59 | 64 |
| Expected Life (expected weighted average life) | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 |
| Expected dividend yield (%) | 0 | 0 | 0 | 0 | 0 | 0 |
| Expected volatility | 45% | 45% | 45% | 45% | 45% | 45% |
| Risk free interest rate (based on zero-yield curve for Government Securities) | 6.48% | 7.19% | 7.19% | 7.19% | 7.19% | 7.19% |



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**Reconciliation of outstanding share options:**

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Number of Options Outstanding at the beginning of the year | 2,019,004 | - |
| Number of Options granted during the year | 1,252,754 | 2,400,058 |
| Number of Options forfeited/lapsed during the year | 129,368 | 381,054 |
| Number of Options exercised during the year | 281,027 | - |
| Number of Options outstanding at the end of the year | 2,861,363 | 2,019,004 |
| Number of Options exercisable at the end of the year | 299,531 | - |

**Expense arising from share based payment transactions:**

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Expenses on Employees Stock Options Scheme | 185.55 | 197.83 |

## NOTE 42(B) : THE UTILISATION OF IPO PROCEEDS OUT OF FRESH ISSUE IS SUMMARISED BELOW:

During financial year 2022-23 the Company completed its Initial Public Offer (IPO) of 357,555,112 equity shares of face value of ₹ 10/- each for cash at an issue price of ₹ 42/- per equity share aggregating to ₹150,173.15, consisting of fresh issue of 239,047,619 equity shares aggregating to ₹ 100,400.00 and an offer for sale of 118,507,493 equity shares aggregating to ₹49,773.15 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 27th May 2022.

**The utilisation of IPO proceeds out of fresh issue is summarised below:**

| Particulars | Object of the issue as per prospectus | Utilisation upto 31st March 2024 | Unutilised amount as at 31st March 2023 |
|---|---|---|---|
| Part-financing the acquisition of the Goa Facility | 52,000 | 52,000 | - |
| Repayment/prepayment of certain of our borrowings | 30,000 | 33,450 | - |
| General corporate purposes | 14,315 | 10,865 | - |

## NOTE 43

a) The Company, has not entered into any transactions with struck off companies, during the year ended 31st March 2024 (previous year ended 31st March 2023).

b) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 44(A) : BUSINESS COMBINATION

(a) During the year 2022-23 Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited ("ZACL") on a slump sale going concern basis pursuant to the business transfer agreement entered into by the Company with ZACL. The acquisition was completed and effective from 1st June 2022 for a consideration of ₹ 168,797.46 which was paid to ZACL pursuant to the business transfer agreement. The Goa plant and allied business acquired by the Company is in the business of manufacture and sale of urea and complex fertilisers.

**(b) Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:-**

| Particulars | As at 1st June 2022 |
|---|---|
| **ASSETS** | |
| **I. Non-current assets** | |
| (a) Property, plant and equipment | 1,47,378.30 |
| (b) Right-of-use assets | 1,082.90 |
| (c) Capital work-in-progress | 12,992.80 |
| (d) Intangible assets | 76.13 |
| (e) Financial Assets | |
| (i) Loans | 19.30 |
| (ii) Others | 233.20 |
| **Total non-current assets** | **1,61,782.63** |
| **II. Current assets** | |
| (a) Inventories | 9,194.20 |
| (b) Financial assets | |
| (i) Loans | 3.50 |
| (ii) Trade receivables | 37,010.20 |
| (iii) Other financial assets | 170.93 |
| (c) Other current assets | 15,198.20 |
| **Total current assets** | **61,577.03** |
| **Total assets A (I+II)** | **2,23,359.66** |
| **Liabilities** | |
| **(1) Non-current liabilities** | |
| (a) Financial liabilities | |
| (i) Borrowings | 10.10 |
| (ii) Lease Liabilities | 1,780.78 |
| **Total non-current liabilities** | **1,790.88** |
| **(II) Current liabilities** | |
| (a) Financial liabilities | |
| (i) Trade payables | 41,047.16 |
| (ii) Other financial liabilities | 14,070.90 |
| (b) Other current liabilities | 2,365.26 |
| (c) Provisions | 1,792.90 |
| **Total current liabilities** | **59,276.22** |
| **Total liabilities B (I+II)** | **61,067.10** |
| **Total fair value of net assets acquired C (A-B)** | **1,62,292.56** |
| **Closing Consideration D** | **1,68,797.46** |
| **Deferred tax asset relating to origination and differences of Goa unit on Slump sale E** | **697.96** |
| **Goodwill (D-C-E)** | **5,806.94** |



Notes to the standalone financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 44(A): BUSINESS COMBINATION (CONTINUED)

(c) Acquisition related costs amounting to ₹ 4.68 on legal fees, valuation fees, ₹ 3,069.91 as stamp duty have been recognised as legal and professional expense and rates and taxes respectively in the Standalone Statement of Profit and Loss within Other expenses.

(d) From the date of acquisition, the acquired business contributed ₹ 4,28,259.23 to total income and a profit of ₹ 3,453.74 to the standalone profit before tax. Had the business combination been effected at 1st April, 2022, the total income of the Company would have been higher by ₹ 28,622.00 and profit before tax would have been lower by ₹ 1,522.00 .

(e) The goodwill recognised is attributable to expected synergies from combining operations of the Company and acquired business and would not be deductible for tax purposes.

(f) In relation to property, plant and equipment acquired through business combination fair valuation was determined based on the valuation model which considered market prices for similar items and depreciated replacement cost, as appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(g) Contingent liabilities was recognised on acquisition, the details of which are as under:-

| Particulars | As at 1st June 2022 |
|---|---|
| Customs duty demand | 530.14 |
| Goods and services tax demand | 4,016.08 |
| Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas | 4,291.34 |
| Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips | 140.52 |

As at 31st March 2023, there has been no change in the amount recognised as contingent liabilities on 1st June 2022, as there has been no change in the probability of the outcome of the cases as noted above.

## NOTE 44(B): IMPAIRMENT OF GOODWILL

The Company has allocated the goodwill on business combination to Goa plant. The carrying amount of goodwill as at the end of the reporting period is ₹ 5,806.94 Lakhs.

The recoverable amount has been calculated based on its value in use, estimated as the present value of projected future cash flows. Following key assumptions were considered while performing impairment testing annually:

| Key Assumptions | As at 31st March 2024 |
|---|---|
| Annual growth rate for next 5 years | 3% to 7% |
| Terminal growth rate | 5% |
| Weighted average cost of capital after tax % | 12.98% |

The projections cover a period of five years, as the Company believes this to be the most appropriate time period over which to review

and consider annual performances and thereafter fixed terminal value has been considered.

Weighted Average Cost of Capital % (WACC) = Risk free return + ( Market risk premium x Beta for the Company)

The goodwill is tested for impairment annually and based on such testing, no provision towards impairment has been considered necessary in each of the year presented.

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value.

### NOTE 45

Pursuant to the scheme of merger dated 7th February 2024, the Board considered and approved a composite scheme of arrangement amongst Mangalore Chemicals & Fertilisers Limited ("Transferor Company"), the Company and their respective creditors and shareholders ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013 ("Companies Act") and other applicable laws, for, inter alia, the amalgamation of the Transferor Company with and into the Company by way of a merger. Necessary accounting effect of the scheme would be given in due course upon receipt of the requisite approvals.

### NOTE 46

The Standalone Financial Statements were approved for issue by the board of directors on 15th May 2024.

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date:- 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date:- 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date:- 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date:- 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date:- 15th May 2024





# INDEPENDENT AUDITOR'S REPORT

**To the Members of Paradeep Phosphates Limited**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the consolidated financial statements of Paradeep Phosphates Limited (hereinafter referred to as the "Company") and its associate, which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31 March 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Recognition and recoverability of subsidy revenue

See Note 8 and 20 to consolidated financial statements

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Company recognizes the subsidy revenue from the Department of Fertilisers, Government of India ('GoI'). The revenue is recognised as per Nutrient Based Subsidy Policy ('NBS Policy') for Phosphatic and Potassic fertilisers and New Pricing Scheme for Urea at the time of sale of goods to its customers. | In view of the significance of the matter, we performed the following procedures:<br>• evaluated the design, implementation and operating effectiveness of internal controls for recognition and recoverability of subsidy revenue<br>• read the relevant notifications and circulars issued by the GoI from time to time with regard to subsidy policies<br>• tested the subsidy rates considered by the Company for the product subsidy with the applicable circulars and notifications and relevant available pricing data of fertilisers and raw materials<br>• reconciled the sales quantity considered for subsidy revenue with the actual sales quantity made by the Company |

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| Subsidy revenue is recognized on the basis of rates notified from time to time by the Department of Fertilisers, Government of India in accordance with NBS Policy and New Pricing Scheme. It is recognised on the basis of quantity of fertilisers sold by the Company. Further, recognition and realisability of subsidy income is subject to various conditions as per the GoI Policy. During the year, the Company has recognised Rs. 591,975.29 lakhs as subsidy revenue and out of this an amount of Rs. 190,560.66 lakhs is receivable as on 31 March 2024.<br><br>In view of the significance of subsidy revenue and significant judgements involved around the interpretation and satisfaction of conditions specified in GoI policy, we have considered recognition and recoverability of subsidy income as a key audit matter. | • reconciled the quantities considered for estimation of subsidy revenue with quantities as per Integrated Fertilizer Management System<br>• evaluated the Company's assessment regarding compliances with relevant conditions as specified in the notifications and policies relating to subsidy<br>• understood and challenged the basis of judgements made in relation to the relevant notifications/circulars including past precedence and subsequent evidence, as applicable<br>• for evaluating the recoverability of receivables, tested the ageing analysis and assessed the information used to determine the recoverability of receivables by considering the historical trends and subsequent collections |
| **Impairment of Goodwill**<br><br>See Note 44(b) to consolidated financial statements | |
| The Company tests goodwill for impairment annually or more frequently when there is an indication of impairment of the cash generating unit to which goodwill relates.<br><br>The annual impairment testing of goodwill involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, impairment assessment of goodwill is considered a key audit matter | Our audit procedures relating to impairment testing included the following:<br>• Evaluated design and implementation and tested operating effectiveness of controls.<br>• Assessed the valuation methodology and challenged the assumptions such as discount rate, revenue growth rate, terminal growth rate used with the assistance of our valuation specialists.<br>• Performed sensitivity analysis of key assumptions.<br>• Evaluated the adequacy of disclosures in respect of the same in the financial statements. |

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and



Independent Auditor's Report (Contd.)

Board of Directors of the Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Company and its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matter

a. The consolidated financial statements include the Company's share of net profit (and other comprehensive loss) of Rs. 9.33 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of the associate, whose financial information has not been audited by us or by other auditor. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub- section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Company.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors on 31 March 2024 and 01 April 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. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Company. Refer Note 29 to the consolidated financial statements.

   b. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

   c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.

   d (i) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 43(b) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management of the Company represented that, to the best of its knowledge and belief, as disclosed in the Note 43(b) to the consolidated financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 13 to the consolidated financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

   f. 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 except that audit trail was not enabled at the database level for accounting software to log any direct data changes. Further the feature of audit trail was not enabled at the application layer of the accounting software for data changes performed by certain users. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

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

   In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Company is its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**Jayanta Mukhopadhyay**
*Partner*
Membership No.: 055757
ICAI UDIN:24055757BKEYKM1001

Place: Bengaluru
Date: 15 May 2024

## ANNEXURE A to the Independent Auditor's Report on the Consolidated financial statements of Paradeep Phosphates Limited for the year ended 31 March 2024

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Company which are companies incorporated in India except the Company. The Companies (Auditor's Report) Order, 2020 of the Company contained the following unfavourable remarks, qualification or adverse remarks -

| Sr. No. | Name of the entities | CIN | Holding Company/Subsi diary/ JV/ Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---|---|---|---|---|
| 1 | Paradeep Phosphates Limited | L24129OR1981PLC001 020 | Company | (i)(c), vii(a) |

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

**Jayanta Mukhopadhyay**
*Partner*
Membership No.: 055757
ICAI UDIN:24055757BKEYKM1001

Place: Bengaluru
Date: 15 May 2024

# ANNEXURE B to the Independent Auditor's Report on the Consolidated financial statements of Paradeep Phosphates Limited for the year ended 31 March 2024

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

In conjunction with our audit of the consolidated financial statements of Paradeep Phosphates Limited (hereinafter referred to as "the Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company , as of that date.

In our opinion, the Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

## Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Jayanta Mukhopadhyay**
*Partner*
Membership No.: 055757
ICAI UDIN:24055757BKEYKM1001

Place: Bengaluru
Date: 15 May 2024

# CONSOLIDATED BALANCE SHEET

**As at 31st March 2024**

*(All amounts are in rupees lakhs, unless otherwise stated)*

| | Notes | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **I. Non-current assets** | | | |
| (a) Property, plant and equipment | 4(a) | 3,35,317.89 | 2,79,571.01 |
| (b) Right-of-use assets | 4(c) | 1,790.53 | 1,619.27 |
| (c) Capital work-in-progress | 4(b) | 37,219.28 | 69,686.32 |
| (d) Goodwill | 44(b) | 5,806.94 | 5,806.94 |
| (e) Other intangible assets | 4(d) | 184.50 | 177.84 |
| (f) Equity accounted investment | 5 | 324.63 | 315.29 |
| (g) Income tax assets(net) | | 5,950.43 | 1,106.62 |
| (h) Other non-current assets | 6 | 3,828.56 | 5,900.04 |
| **Total non-current assets** | | **3,90,422.76** | **3,64,183.33** |
| **II. Current assets** | | | |
| (a) Inventories | 7 | 1,83,082.95 | 2,23,767.72 |
| (b) Financial assets | | | |
| (i) Trade receivables | 8 | 2,72,047.93 | 3,68,973.75 |
| (ii) Cash and cash equivalents | 9(a) | 9,071.79 | 4,303.42 |
| (iii) Bank balances other than (ii) above | 9(b) | 2,730.57 | 6,681.98 |
| (iv) Other financial assets | 10 | 50,419.05 | 33,718.27 |
| (c) Other current assets | 6 | 58,314.22 | 64,048.36 |
| (d) Assets classified as held for sale | 11 | 23.26 | 23.26 |
| **Total current assets** | | **5,75,689.77** | **7,01,516.76** |
| **Total assets (I+II)** | | **9,66,112.53** | **10,65,700.09** |
| **EQUITY AND LIABILITIES** | | | |
| **I. Equity** | | | |
| (a) Equity share capital | 12 | 81,477.86 | 81,449.76 |
| (b) Other equity | 13 | 2,74,962.15 | 2,69,020.47 |
| **Total equity** | | **3,56,440.01** | **3,50,470.23** |
| **II. Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14(a) | 67,650.58 | 61,188.79 |
| (ii) Lease liabilities | 14(b) | 1,722.29 | 1,603.78 |
| (iii) Other financial liabilities | 15 | - | 180.42 |
| (b) Provisions | 16 | 2,621.40 | 2,379.21 |
| (c) Deferred tax liabilities (net) | 17 | 15,085.16 | 10,778.02 |
| **Total non-current liabilities** | | **87,079.43** | **76,130.22** |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14(c) | 3,31,786.96 | 4,01,921.53 |
| (ii) Lease liabilities | 14(b) | 210.89 | 77.32 |
| (iii) Trade payables | 18 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 929.88 | 667.47 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,47,881.85 | 1,90,580.20 |
| (iv) Other financial liabilities | 15 | 22,455.43 | 24,003.11 |
| (b) Other current liabilities | 19 | 12,020.43 | 11,554.50 |
| (c) Provisions | 16 | 7,284.90 | 9,000.56 |
| (d) Current tax liabilities (net) | | 22.75 | 1,294.95 |
| **Total current liabilities** | | **5,22,593.09** | **6,39,099.64** |
| **Total liabilities (1+2)** | | **6,09,672.52** | **7,15,229.86** |
| **Total equity and liabilities (I+II)** | | **9,66,112.53** | **10,65,700.09** |
| Material accounting policies | 2 | | |

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date: 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date: 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date: 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date: 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date: 15th May 2024



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

**for the year ended 31st March 2024**

*(All amounts are in rupees lakhs, unless otherwise stated)*

| | | Notes | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|---|
| | **Income** | | | |
| I. | Revenue from operations | 20 | 11,57,511.98 | 13,34,072.19 |
| II. | Other income | 21 | 6,883.51 | 9,107.00 |
| III. | **Total income (I+II)** | | **11,64,395.49** | **13,43,179.19** |
| IV. | **Expenses** | | | |
| | Cost of raw materials consumed | 22 | 7,60,903.84 | 10,43,969.52 |
| | Purchase of stock-in-trade | | 1,05,508.61 | 18,226.12 |
| | Changes in inventories of finished goods, stock-in-trade and work in progress | 23 | 33,431.87 | (877.73) |
| | Employee benefits expense | 24 | 22,978.77 | 21,320.25 |
| | Finance costs | 25 | 36,602.70 | 29,124.25 |
| | Depreciation and amortisation expense | 26 | 21,067.03 | 17,515.31 |
| | Other expenses | 27 | 1,69,885.95 | 1,71,335.01 |
| | **Total expenses (IV)** | | **11,50,378.77** | **13,00,612.73** |
| V. | **Profit before share of profit from equity accounted investee and tax (III-IV)** | | **14,016.72** | **42,566.46** |
| VI. | Share of net profit of associate accounted for using the equity method (net of tax) | | 66.70 | 50.52 |
| VII. | **Profit before tax (V+VI)** | | 14,083.42 | 42,616.98 |
| VIII. | **Tax expense** | | | |
| | - Current tax | 17 | - | 9,629.93 |
| | - Income tax (credit) / charge for the earlier years (net) | 17 | (279.76) | 333.15 |
| | - Deferred tax charge | 17 | 4,372.26 | 2,234.64 |
| | **Total tax expense** | | **4,092.50** | **12,197.72** |
| IX. | **Profit for the year (VII-VIII)** | | **9,990.92** | **30,419.26** |
| X. | **Other comprehensive income / (loss)** | | | |
| | **A Items that will be reclassified to profit or loss** | | | |
| | a) Exchange differences on translation of foreign operations | | (57.36) | (24.66) |
| | **Items that will not be reclassified to profit or loss** | | | |
| | a) Remeasurement (loss)/gain of the defined benefit plans | | (258.73) | 92.33 |
| | b) Income tax on above | 17 | 65.12 | (23.23) |
| | **Total other comprehensive income/(loss) for the year** | | **(250.97)** | **44.44** |
| XI. | **Total comprehensive income for the year (IX + X)** | | **9,739.95** | **30,463.70** |
| XII. | **Earnings per equity share (nominal value of ₹ 10 each)** | | | |
| | Basic [in ₹] | 28 | 1.22 | 3.90 |
| | Diluted [in ₹] | 28 | 1.22 | 3.90 |
| | Material accounting policies | 2 | | |

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date: 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date: 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date: 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date: 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date: 15th May 2024

# CONSOLIDATED STATEMENT OF CASH FLOWS

**for the year ended 31st March 2024**

*(All amounts are in rupees lakhs, unless otherwise stated)*

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|
| **A.** | **Cash flows from operating activities** | | |
| | **Profit before tax** | 14,083.42 | 42,616.98 |
| | *Adjustments for* | | |
| | Depreciation and amortisation expense | 21,067.03 | 17,515.31 |
| | Finance costs | 32,128.33 | 25,151.99 |
| | Interest income | (625.86) | (986.50) |
| | Profit on sale of current investments | (111.58) | (93.36) |
| | Loss on sale / discard of property,plant and equipment (net) | 2,431.13 | 1,511.90 |
| | Loss allowance | 797.88 | 1,239.90 |
| | Bad debts, claims and advances written off | 33.76 | 68.73 |
| | Unspent liabilities/provision no longer required written back | (3,850.13) | (6,883.44) |
| | Foreign exchange fluctuation loss unrealised (net) | 180.32 | 2,586.92 |
| | Share of profit from associate | (66.70) | (50.52) |
| | **Operating cash flow before working capital changes** | **66,067.60** | **82,677.91** |
| | **Changes in working capital** | | |
| | Decrease in inventories | 40,684.77 | 14,748.72 |
| | Decrease/(Increase) in trade receivables | 96,429.76 | (2,42,375.30) |
| | Increase in financial and other assets | (10,696.24) | (4,033.41) |
| | Decrease in trade payables and other current liabilities | (41,241.60) | (74,426.45) |
| | Decrease in provisions | (1,732.20) | (523.43) |
| | **Cash generated from/(used in) operating activities** | **1,49,512.09** | **(2,23,931.96)** |
| | Less: Income taxes paid (net of refunds) | (5,836.25) | (13,735.33) |
| | **Net cash used in operating activities (A)** | **1,43,675.84** | **(2,37,667.29)** |
| **B.** | **Cash flows from investing activities** | | |
| | Proceeds from sale of property, plant and equipment | 38.78 | 37.73 |
| | Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors | (41,150.29) | (43,618.36) |
| | Purchase of business | - | (53,700.00) |
| | Investments in current investments - mutual funds | (1,26,805.24) | (4,40,021.35) |
| | Proceeds from sale of current investments - mutual funds | 1,26,916.82 | 4,95,150.85 |
| | Interest received | 372.52 | 891.16 |
| | Investment in deposits with maturity of more than three months | 3,941.87 | (610.42) |
| | **Net cash used in investing activities (B)** | **(36,685.54)** | **(41,870.39)** |
| **C.** | **Cash flows from financing activities** | | |
| | Proceeds from issue of share capital | 303.53 | 97,506.79 |
| | Proceeds from non-current borrowings | 46,105.98 | 43,921.48 |
| | Repayment of non-current borrowings | (37,308.27) | (18,217.42) |
| | Proceeds from current borrowings | 18,45,800.30 | 14,49,982.82 |
| | Repayment of current borrowings | (19,19,803.14) | (13,21,402.61) |
| | Dividend paid | (4,073.70) | - |
| | Repayment of lease liabilities including interest thereon | (286.73) | - |
| | Interest paid | (32,959.90) | (21,734.06) |
| | **Net cash (used in) / generated from financing activities (C)** | **(1,02,221.93)** | **2,30,057.00** |
| | **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | **4,768.37** | **(49,480.68)** |
| | **Cash and cash equivalents at the beginning of the year** | 4,303.42 | 53,784.10 |
| | **Cash and cash equivalents at the end of the year (refer Note 9(a))** | **9,071.79** | **4,303.42** |

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

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date: 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date: 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date: 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date: 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date: 15th May 2024



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**for the year ended 31st March 2024**

*(All amounts are in rupees lakhs, unless otherwise stated)*

**(a) Equity share capital**

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Balance at the beginning of the year** | 81,44,97,619 | 81,449.76 | 57,54,50,000 | 57,545.00 |
| Shares issued during the year | 2,81,027 | 28.10 | 23,90,47,619 | 23,904.76 |
| **Balance at the end of the year** | **81,47,78,646** | **81,477.86** | **81,44,97,619** | **81,449.76** |

**(b) Other equity**

| Particulars | As at 31st March 2024 | | | | | As at 31st March 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Foreign Currency Translation Reserve | Retained earnings | Securities premium | Share option outstanding reserve | Total other equity | Foreign Currency Translation Reserve | Retained earnings | Securities premium | Share option outstanding reserve | Total other equity |
| **Balance at the beginning of the year** | (50.63) | 1,95,469.07 | 73,404.20 | 197.83 | 2,69,020.47 | (25.97) | 1,64,980.71 | - | - | 1,64,954.74 |
| Profit for the year | - | 9,990.92 | - | - | 9,990.92 | - | 30,419.26 | - | - | 30,419.26 |
| Dividend paid | - | (4,073.70) | - | - | (4,073.70) | - | - | - | - | - |
| Premium received on issue of shares during the year | - | - | 135.91 | - | 135.91 | - | - | 73,404.20 | - | 73,404.20 |
| Equity settled share based payments | - | - | - | 185.55 | 185.55 | - | - | - | 197.83 | 197.83 |
| Options exercised | - | - | - | (46.03) | (46.03) | - | - | - | - | - |
| Options lapsed | - | 4.07 | - | (4.07) | - | - | - | - | - | - |
| Other comprehensive income for the year * | (57.36) | (193.61) | - | - | (250.97) | (24.66) | 69.10 | - | - | 44.44 |
| **Total for the year** | **(57.36)** | **5,727.68** | **135.91** | **135.45** | **5,941.68** | **(24.66)** | **30,488.36** | **73,404.20** | **197.83** | **1,04,065.73** |
| **Balance at the end of the reporting year** | **(107.99)** | **2,01,196.75** | **73,540.11** | **333.28** | **2,74,962.15** | **(50.63)** | **1,95,469.07** | **73,404.20** | **197.83** | **2,69,020.47** |

* Other comprehensive income included under retained earnings represents remeasurement of defined benefit plans (net of tax).

Refer note 13 for details on the nature and purpose of the reserve

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date: 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date: 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date: 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date: 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date: 15th May 2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



## PARADEEP PHOSPHATES LIMITED

**Notes to the consolidated financial statements(continued)**

Corporate and General Information

Paradeep Phosphates Limited ('the Company') is a public company domiciled and headquartered in Bhubaneswar, India. Zuari Agro Chemicals Limited (ZACL) holds 28.05% of equity shares of Paradeep Phosphates Limited ('the Company') through its joint venture Zuari Maroc Phosphates Private Limited (ZMPPL) and is its largest shareholder alongwith OCP S.A.. PPL and ZACL have certain directors in common. It is incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacture of Urea, Di-Ammonium Phosphate (DAP), Complex Fertilisers of NPK grades, and Zypmite (Gypsum based product) having its manufacturing facility at the port town of Paradeep, District Jagatsinghpur, Odisha and at Zuari Nagar, Goa. The Company is also involved in trading of fertilisers, ammonia, neutralised phospo gypsum, micronutrient and other materials. The Company caters to the demands of farmers all over the country through its "Navratna" brand of fertilisers. The Company has one associate incorporated in Myanmar under the name of Zuari Yoma Agri Solutions Limited.

**1. Basis of preparation**

(a) These financial statements are prepared in accordance with Indian Accounting Standards (IND AS), under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values and net defined benefit (asset)/ liability which is measured at at present value of defined benefit obligations less fair value of plan assets, notified under the provisions of the Companies Act 2013 ("the Act") to the extent applicable. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting Standards), Rule, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied to all the years except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

(b) These Consolidated Financial Statements are presented in Indian Rupees ("₹"), which is also the Company's functional and presentation currency. All amounts have been rounded off to the nearest Lakhs, unless otherwise indicated.

**2A. Basis of consolidation**

The Consolidated Financial Information incorporate the Financial Statements of the Company and its associate. Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company.

Investment in associate is accounted for using equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss and the Company's share of other comprehensive income of the investee in other comprehensive income. When the Company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Company does not recognise further losses, unless it has incurred obligations on behalf of the other entity.

Unrealised gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity accounted investments are tested for impairment.

The details of associate included in these consolidated financial statements are as under:

| Name of associate | Ownership interest | Country of Incorporation |
|---|---|---|
| Zuari Yoma Agri Solutions Limited | 50% | Myanmar |

**2B. Material accounting policies**

**(i) Classification of assets and liabilities into current/ non-current**

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realised within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

**(ii) Property, plant and equipment**

Property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, taxes, borrowing costs, if recognition criteria are met, and any directly attributable cost incurred to bring the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Replaced assets held for disposal are stated at lower of their carrying amount and fair value less costs to sell, and depreciation on such assets ceases and shown under "Assets held for sale".

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalised. Other indirect expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period, if any, is deducted from the total of the indirect expenditure.

**(iii) Depreciation on property, plant and equipment**

a. Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the Management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful life to provide depreciation on its property, plant and equipment based on technical evaluation done.

| Class of Assets | Useful Lives estimated by the management (Years) | Useful Lives as per Schedule II to the Companies Act, 2013 (Years) |
|---|---|---|
| Buildings | 30/60 | 30/60 |
| Roads and culverts | 3 to 5 | 3 to 5 |
| Plants and equipments (Continuous process plant) | 25 | 25 |
| Plant and equipments (Non continuous process) | 5 to 20 | 15 |
| Furniture, Fixtures & fittings | 2 to 10 | 10 |
| Vehicles | 8 | 8 |

| Class of Assets | Useful Lives estimated by the management (Years) | Useful Lives as per Schedule II to the Companies Act, 2013 (Years) |
|---|---|---|
| Office equipments | 3 to 6 | 3 to 6 |
| Railway siding | 15 | 15 |

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. These are estimated by the management supported by independent assessment by professionals.

The Company has used the following useful life to provide depreciation on its property, plant and equipment relating Goa plant acquired as on 1st June 2022 based on technical evaluation done.

| Class of Assets | Useful Lives estimated by the management (Years) |
|---|---|
| Buildings | 11 to 43 |
| Plants and equipments | More than 1 and upto 25 |
| Furniture, Fixtures & fittings | More than 1 and upto 10 |
| Vehicles | More than 1 and upto 10 |
| Office equipments | More than 1 and upto 6 |
| Railway siding | 3 to 30 |

b. Premium on land held on leasehold basis considered as Right of Use Asset is amortised over the period of lease.

c. The classification of plant and machinery into continuous and non-continuous process is done as per technical certification by the management and depreciation thereon is provided accordingly.

d. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(iv) Intangible assets and amortisation**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at the end of each reporting period. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The following are the acquired intangible assets:

Software:

The management of the Company assessed the useful life of software as finite and cost of software is amortised over their estimated useful life of three years on straight line basis.

**(v) Impairment of Non-Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset (except inventories and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



Notes to the Consolidated financial statements (Contd.)

**(vi) Leases**

At inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract coveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset, whether specified explicitly or implicitly;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Company has right to direct the use of the asset by either having right to operate the asset or the Company having designed the asset in a way that predetermines how and for what purpose it will be used.

**Accounting as a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The estimates of useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has elected not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on straight line basis over the lease term.

**(vii) Foreign currency transactions**

**(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is Company's functional and presentation currency.

**(b) Initial recognition**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction.

**(c) Conversion**

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial recognition.

**(d) Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

**(viii) Derivative financial instruments**

***Initial recognition and subsequent measurement***

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

**(ix) Fair value measurement**

The Company measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Notes to the Consolidated financial statements (Contd.)

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**(x) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

**Initial recognition and measurement:**

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables are measured at transaction price in accordance with Ind AS 115.

**Subsequent measurement:**

***Financial assets being financial instruments:***

Subsequent measurement of financial instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, financial instruments are classified in three categories:

- Financial instruments at amortised cost;
- Financial instruments at fair value through other comprehensive income (FVTOCI);
- Financial instruments at fair value through profit and loss (FVTPL).

***Financial instruments at amortised cost:***

A financial instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

***Financial instrument at FVTOCI:***

A financial instrument is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial instrument is reported as interest income using the EIR method.

**Financial instrument at FVTPL:**

**FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.**

Notes to the Consolidated financial statements (Contd.)

**Derecognition**:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of Financial Assets**:

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

**Financial Liabilities**

***Initial recognition and measurement:***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

***Subsequent Measurement:***

The measurement of financial liabilities depends on their classification, as described below:

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(xi) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

**(xii) Inventories**

i. Inventories are valued at the lower of cost and net realisable value.

ii. The cost is determined as follows:

   (a) Raw Materials, Stores, Spare Parts, Chemical, Fuel Oil and Packing Materials: Weighted average method

   (b) Intermediaries: Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity

   (c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity

   (d) Traded goods: Weighted average method

iii. By-products such as treated gypsum are measured at net realisable value, adjusted against the cost of main product.

iv. Net realisable value is the estimated selling price including applicable subsidy in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

v. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

**(xiii) Borrowing cost**

Borrowing costs include interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(xiv) Revenue Recognition**

The Company earns revenue primarily from sale of fertilisers. The following specific criteria must also be met before revenue is recognised:

**Sale of goods**

At contract inception, Company assess the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods which is usually dispatch/delivery of goods, based on contracts with customers. There is no significant financing components involved on contract with customers. Invoices are usually payable

Notes to the Consolidated financial statements (Contd.)

within the credit period as agreed with respective customers.

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (x) to material accounting policies on Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**Subsidy income**

Concessions in respect of Urea as notified under the New Pricing Scheme is recognised with adjustments for escalation/de–escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for DAP, Muriate of Potash (MOP) and Complex Fertilisers are recognised as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time, where there is reasonable assurance of complying with the conditions of the policy.

Subsidy on freight charges for DAP, MOP and Complex Fertilisers is recognised based on rates notified by the Government of India with the known policy parameters in this regard and included in subsidy.

(xiv) (a) Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable EIR. Claims receivable on account of interest from dealers on delayed payments are accounted for to the extent the Company is reasonably certain of their ultimate collection.

**(xiv) (b) Dividend Income**

Dividend income is recognised when the Company's right to receive the payment is established.

**(xiv) (c) Insurance claims**

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

**(xv) Government grants and subsidies**

Grants and subsidies [other than subsidy income considered in point (xiv) above] from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

**(xvi) Employee benefits**

**Share-based payments**

Share-based compensation benefits are provided to employees via PPL Employees Stock Option Plan 2021 ("ESOP 2021"). The fair value of the options granted under ESOP 2021 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

**Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**Defined Contribution Plan**

Retirement benefit in the form of contribution to pension fund, superannuation fund and national pension scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to these schemes. The Company recognises contribution payable to these fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre- payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined Benefit Plans**

i) Liability for Gratuity and Post Retirement Medical Benefits are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan and post employment medical benefit plan has been funded by policy taken from Life Insurance Corporation of India.

ii) Liability for Provident fund is provided for on the basis of actuarial valuation carried at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952.

iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

**Other long term benefits**

Liability for accumulated compensated absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The Company measures the expected cost of accumulated compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose.

**(xvii) Income tax**

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- taxable temporary differences arising on the initial recognition of goodwill.

**(xviii) Segment Reporting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

**(xix) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.



Notes to the Consolidated financial statements (Contd.)

**(xx) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. A contingent liability is also a present obligation that arises from past events but outflow of resources embodying economic benefits is not probable.

**(xxi) Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

**(xxii) Business combinations**

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**(xxiii) Goodwill**

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**(xxiv) Declaration of Dividend**

**The Company recognises a liability to pay final dividend to equity shareholders when the distribution is no longer at the descretion of the Company. As per the corporate laws in India, a final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in the equity.**

**(xxv) Material accounting policy information**

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1st April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

**3A. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The changes in estimates are made as the management becomes aware of such changes. The changes in estimates are recognised in the period in which the estimates are revised.

**i) Defined benefit plans**

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 32.

ii) Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date. Refer Note 4(a).

iii) Fair value measurement of financial instruments.

Refer Note 34 for information about fair value measurement.

iv) Revenue recognition

The Company provides various rebates and incentives to the customers. In estimating the same, the Company is required to use either the expected value method or the most likely method. The Company determined that the expected value method is the appropriate method for determining estimates to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical experience and business forecast and current market conditions. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value thereof.

v) Fair value of assets and liabilities acquired on business combination

Refer Note 44 for information about fair values of assets and liabilities acquired on business combination.

vi) Provisions and contingencies

Refer Note 29 for key assumptions about likelihood and magnitude of an outflow of economic resources in relation to recognition and measurement of contingent liabilities.

**3B. Standards issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company





*(All amounts are in rupees lakhs, unless otherwise stated)*

**NOTE 4(A): PROPERTY, PLANT AND EQUIPMENT**

**Reconciliation of carrying amount**

| | Leasehold land | Freehold land * | Buildings | Roads and culverts | Plant and equipments | Furniture and fittings | Vehicles | Office equipments | Railway siding | Total (A) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1st April 2022** | 39.84 | 584.90 | 39,932.44 | 997.60 | 1,26,210.91 | 412.93 | 523.49 | 1,014.80 | 846.84 | **1,70,563.75** |
| Additions during the year | - | - | 89.23 | 9.77 | 22,341.37 | 41.56 | 231.74 | 233.20 | 197.49 | **23,144.36** |
| Adjustment on account of business acquisition (refer Note 44(a)) | - | 43,240.00 | 5,066.10 | - | 96,325.25 | 63.80 | 201.56 | 379.36 | 1,687.69 | **1,46,963.76** |
| Disposals/ discard during the year | - | - | - | - | 2,062.01 | 9.33 | 87.86 | 14.37 | 0.67 | **2,174.24** |
| Adjustment (refer note 4 below) | - | - | - | - | 2,348.81 | - | - | - | - | **2,348.81** |
| **Balance as at 31st March 2023** | **39.84** | **43,824.90** | **45,087.77** | **1,007.37** | **2,45,164.33** | **508.96** | **868.93** | **1,612.99** | **2,731.35** | **3,40,846.44** |
| **Balance as at 1st April 2023** | 39.84 | 43,824.90 | 45,087.77 | 1,007.37 | 2,45,164.33 | 508.96 | 868.93 | 1,612.99 | 2,731.35 | **3,40,846.44** |
| Additions during the year | - | 275.49 | 9,600.23 | 998.85 | 59,582.61 | 36.98 | 943.65 | 231.91 | - | **71,669.72** |
| Disposals/ discard during the year | - | - | - | - | 3,409.78 | 1.55 | 97.69 | 35.81 | 50.81 | **3,595.64** |
| Adjustment (refer note 4 below) | - | - | - | - | 7,349.74 | - | - | - | - | **7,349.74** |
| **Balance as at 31st March 2024** | **39.84** | **44,100.39** | **54,688.00** | **2,006.22** | **3,08,686.90** | **544.39** | **1,714.89** | **1,809.09** | **2,680.54** | **4,16,270.26** |

| | Leasehold land | Freehold land * | Buildings | Roads and culverts | Plant and equipments | Furniture and fittings | Vehicles | Office equipments | Railway siding | Total (A) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation** | | | | | | | | | | |
| **Balance as at 1st April 2022** | 3.26 | - | 5,731.92 | 299.40 | 37,336.58 | 253.74 | 198.53 | 591.76 | 174.72 | **44,589.91** |
| Charge for the year | 0.44 | - | 1,568.83 | 148.16 | 14,999.34 | 70.35 | 124.50 | 276.73 | 122.48 | **17,310.83** |
| Deductions | - | - | - | - | 564.38 | 8.04 | 42.27 | 10.62 | - | **625.31** |
| **Balance as at 31st March 2023** | **3.70** | **-** | **7,300.75** | **447.56** | **51,771.54** | **316.05** | **280.76** | **857.87** | **297.20** | **61,275.43** |
| **Balance as at 1st April 2023** | 3.70 | - | 7,300.75 | 447.56 | 51,771.54 | 316.05 | 280.76 | 857.87 | 297.20 | **61,275.43** |
| Charge for the year | 0.44 | - | 1,805.01 | 251.97 | 18,072.74 | 41.34 | 190.03 | 290.47 | 150.68 | **20,802.68** |
| Deductions | - | - | - | - | 1,047.51 | 1.29 | 41.62 | 29.57 | 5.75 | **1,125.74** |
| **Balance as at 31st March 2024** | **4.14** | **-** | **9,105.76** | **699.53** | **68,796.77** | **356.10** | **429.17** | **1,118.77** | **442.13** | **80,952.37** |
| **Net Carrying amount** | | | | | | | | | | |
| **Balance as at 31st March 2024** | **35.70** | **44,100.39** | **45,582.24** | **1,306.69** | **2,39,890.13** | **188.29** | **1,285.72** | **690.32** | **2,238.41** | **3,35,317.89** |
| Balance as at 31st March 2023 | 36.14 | 43,824.90 | 37,787.02 | 559.81 | 1,93,392.79 | 192.91 | 588.17 | 755.12 | 2,434.15 | 2,79,571.01 |

* Company is in the process of executing conveyance deed / patta for land measuring 178.06 acres amounting to ₹27.94 Lakhs

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Item of Balance Sheet | Description of Item | Gross Carrying Value | Title deed in favour of | If in the name of director etc. | Property held since | Reason of not being held in the name of the Company |
|---|---|---|---|---|---|---|
| Property, Plant and equipment | Freehold land | 27.94 | NA | NA | 1982-85 | Delay on account of administrative formalities |

1) Refer Note 14(a) and 14(c) relating to borrowings in respect of property, plant and equipment provided as security against those borrowings.
2) Refer Note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
3) Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation rate relating to general borrowings was at 8.33% (31st March 2023: 7.88%).
4) Adjustments include adjustment on account of borrowing costs and foreign exchange fluctuations.

## 4(B) CAPITAL WORK-IN-PROGRESS

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Opening balance | 69,686.32 | 33,629.46 |
| Add: Addition during the year | 45,264.86 | 48,557.23 |
| Adjustment on account of business acquisition (refer Note 44(a)) | - | 12,992.80 |
| Less: Capitalisation during the year | 77,731.90 | 25,493.17 |
| Closing balance | **37,219.28** | **69,686.32** |

Closing balance includes other direct capital expenditure (pending allocation) ₹ 2,022.52 (31st March 2023: ₹ 4,685.65)

**CWIP Ageing Schedule**

**As at 31st March 2024**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| Projects in progress | 22,500.31 | 13,645.34 | 747.93 | 325.70 | **37,219.28** |
| Projects temporarily suspended | - | - | - | - | - |

**As at 31st March 2023**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| Projects in progress | 49,585.20 | 14,013.52 | 3,100.90 | 2,986.70 | **69,686.32** |
| Projects temporarily suspended | - | - | - | - | - |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**Details of projects forming part of CWIP and which have become overdue compared to their original plans or where cost is exceeded compared to original plans**

**As at 31st March 2024**

(Amount in ₹ Lakhs)

| Particulars | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years |
| Sulphuric acid plant | 15,854.97 | - | - | - |
| MRSS | 1,492.79 | - | - | - |

**As at 31st March 2023**

(Amount in ₹ Lakhs)

| Particulars | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years |
| 4th Evaporator of Phosphoric acid plant | 5,946.09 | - | - | - |
| Phosphoric acid plant expansion | 17,941.93 | - | - | - |
| Sulphuric acid plant | - | 12,137.28 | - | - |

## 4(C) RIGHT-OF-USE ASSETS

| Particulars | Right of use Building | Right of use Land | Total Right of use assets |
|---|---|---|---|
| **As at 01.04.2022** | - | - | - |
| **Adjustment on account of business acquisition (refer Note 44(a))** | **112.61** | **1,384.83** | **1,497.44** |
| Additions | 112.44 | 125.11 | **237.55** |
| **As at 31.03.2023** | **225.05** | **1,509.94** | **1,734.99** |
| **Additions** | **383.90** | **-** | **383.90** |
| **As at 31.03.2024** | **608.95** | **1,509.94** | **2,118.89** |
| **Depreciation** | | | |
| **As at 01.04.2022** | - | - | - |
| Charge for the year | 18.06 | 97.66 | **115.72** |
| **As at 31.03.2023** | **18.06** | **97.66** | **115.72** |
| Charge for the year | **95.70** | **116.94** | **212.64** |
| **As at 31.03.2024** | **113.76** | **214.60** | **328.36** |
| **Net block** | | | |
| **As at 31.03.2024** | **495.19** | **1,295.34** | **1,790.53** |
| **As at 31.03.2023** | **206.99** | **1,412.28** | **1,619.27** |

## 4(D) INTANGIBLE ASSETS

| | 31st March 2024 Computer Software | 31st March 2023 Computer Software |
|---|---|---|
| **Gross block** | | |
| Balance as at beginning of the year | 606.25 | 425.88 |
| Additions during the year | 58.37 | 104.24 |
| Adjustment on account of business acquisition (refer Note 44(a)) | - | 76.13 |
| **Balance as at end of the year** | **664.62** | **606.25** |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| | 31st March 2024 Computer Software | 31st March 2023 Computer Software |
|---|---|---|
| **Amortisation** | | |
| Balance as at beginning of the year | 428.41 | 339.65 |
| Amortisation for the year | 51.71 | 88.76 |
| **Balance as at end of the year** | **480.12** | **428.41** |
| **Net carrying amount as at end of the year** | **184.50** | **177.84** |

## NOTE 5: EQUITY ACCOUNTED INVESTMENT

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Investment in associate** | | |
| Unquoted investment in equity share at cost | 315.29 | 289.43 |
| 512,500 (31st March 2023: 512,500) ordinary shares of USD 1 each fully paid up of Zuari Yoma Agri Solutions Limited | | |
| **Share of profit/(loss) in associate** | **66.70** | **50.52** |
| **Effect of foreign currency translation reserve** | **(57.36)** | **(24.66)** |
| **Net investment in associate** | **324.63** | **315.29** |

## NOTE 6: OTHER NON CURRENT ASSETS AND CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Capital advances | | | | |
| Related parties (refer Note 33) | 1,191.45 | - | 1,124.19 | - |
| Others | 1,412.62 | - | 3,754.15 | - |
| Advance to vendors: | | | | |
| Related parties (refer Note 33) | - | 1.34 | - | 150.53 |
| Others | - | 1,763.63 | - | 2,850.22 |
| Less: Loss allowance | - | (32.00) | - | (32.00) |
| Claims receivable | 218.28 | 5,510.96 | 218.28 | 2,902.37 |
| Less: Loss allowance | (11.50) | - | (218.28) | - |
| Balance with statutory / government authorities | - | 45,198.23 | - | 52,482.32 |
| Prepaid expenses | - | 2,290.41 | 7.16 | 2,218.14 |
| Sales tax & entry tax deposits | 8.01 | 3,156.53 | 8.01 | 3,050.98 |
| Less: Loss allowance | (8.01) | - | (8.01) | - |
| Other deposits | | | | |
| Related parties (refer Note 33) | 60.00 | - | 89.32 | - |
| Others* | 957.71 | 425.12 | 925.22 | 425.80 |
| **Total other assets** | **3,828.56** | **58,314.22** | **5,900.04** | **64,048.36** |

* Includes primarily deposits with vendors, service providers etc.



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 7: INVENTORIES

(Valued at the lower of cost and net realisable value)

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Raw materials | 93,696.43 | 1,05,702.78 |
| Finished goods | 50,188.02 | 80,537.48 |
| Traded goods | 2,672.09 | 2,708.37 |
| Intermediates (work in progress) | 10,243.76 | 9,373.92 |
| Stores, spare parts, chemical and fuel oil | 10,959.62 | 11,595.81 |
| Packing materials | 934.77 | 647.67 |
| By-Products | 14,388.26 | 13,201.69 |
| **Total inventories** | **1,83,082.95** | **2,23,767.72** |

**Note:**

a) Inventories are pledged against the borrowings as further explained in Note 14(a) and 14(c).

b) The cost of inventories recognised as expense includes ₹ 3,102.54 (31st March 2023: ₹ 2,721.52) in respect of write down of inventories to net realisable value.

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

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Raw materials | 48,136.02 | 44,355.69 |
| Finished goods | 4,658.58 | 22,698.02 |
| Traded goods | 29.77 | - |
| Stores and spare parts | 718.36 | 1,719.00 |
| **Total inventories in transit** | **53,542.73** | **68,772.71** |

## NOTE 8: TRADE RECEIVABLES

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade receivables considered good - secured | 5,358.33 | 4,922.03 |
| Trade receivables - unsecured* | 2,62,529.17 | 3,54,630.88 |
| From related parties (refer Note 33) | | |
| Trade receivables considered good - unsecured | 10,529.56 | 15,171.71 |
| **Total trade receivables** | **2,78,417.06** | **3,74,724.62** |
| Less: Loss allowance | (6,369.13) | (5,750.87) |
| **Net trade receivables (refer note 'a' below)** | **2,72,047.93** | **3,68,973.75** |

Trade receivables are carried at amortised cost which are a reasonable approximation of their fair value.

*** Trade receivables - unsecured**

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade receivable considered good | 2,59,116.79 | 3,51,178.01 |
| Trade receivables - which have significant increase in credit risk | 3,412.38 | 3,452.87 |
| **Total trade receivables unsecured** | **2,62,529.17** | **3,54,630.88** |

## Notes to the Consolidated financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

a) Includes subsidy receivable from the Government of India amounting to ₹ 190,560.66 (31st March 2023: ₹ 306,937.59)

b) Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 14(a) and 14(c).

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

d) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

e) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35.

**Trade Receivable ageing schedule:**

**As at 31st March 2024**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| (i) Undisputed Trade receivables - considered good | 1,85,197.75 | 40,559.53 | 34,773.04 | 762.49 | 314.29 | 8,038.06 | 2,69,645.16 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - considered good | - | - | - | - | - | 5,359.52 | 5,359.52 |
| (v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | 210.11 | 609.91 | 2,592.36 | 3,412.38 |
| (vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| **Gross trade receivable** | | | | | | | **2,78,417.06** |

**As at 31st March 2023**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| (i) Undisputed Trade receivables - considered good | 2,93,117.22 | 59,231.82 | 1,596.19 | 2,401.62 | 1,527.54 | 8,037.84 | 3,65,912.23 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - considered good | - | - | - | - | - | 5,359.52 | 5,359.52 |
| (v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | 902.72 | 165.43 | 2,384.72 | 3,452.87 |
| (vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| **Gross trade receivable** | | | | | | | **3,74,724.62** |



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

### NOTE 9(A): CASH AND CASH EQUIVALENTS

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balances with banks | | |
| - On current accounts | 89.60 | 23.46 |
| - On cash credit accounts | 8,982.05 | 4,279.76 |
| Cash on hand | 0.14 | 0.20 |
| **Total cash and cash equivalents** | **9,071.79** | **4,303.42** |

### NOTE 9(B): BANK BALANCES OTHER THAN ABOVE

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| - Deposits with banks with original maturity of more than three months and less than twelve months* | 2,708.76 | 6,681.98 |
| - ESOP accounts | 19.71 | - |
| - Unpaid dividend accounts | 2.10 | - |
| **Total bank balances other than above** | **2,730.57** | **6,681.98** |

Bank balances other than above are carried at amortised cost which are a reasonable approximation of their fair value.

*Pledged with Executive Engineer, Mahanadi South Division as security deposit ₹ 199.96 (31st March 2023: ₹ 185.55), against bank guarantee issued in favour of Regional Director, ESI Corporation, Bhubaneswar ₹ 5.51 (31st March 2023: ₹ 5.51), cash margin fixed deposit issued against repayment of long term loan: ₹ 2,503.29 (31st March 2023: ₹ 6,490.92)

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 10: OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Derivative instruments at fair value through profit or loss** | | | | |
| Derivatives not designated as hedges | | | | |
| Foreign-exchange forward contracts | - | 210.31 | - | - |
| **Other financial asset at amortised cost*** | | | | |
| Claims receivable: | | | | |
| Related parties (refer Note 33) | - | 47,632.56 | - | 32,556.51 |
| Others | 209.79 | 791.82 | 209.79 | 31.40 |
| Less: Loss allowance | (209.79) | - | (209.79) | - |
| Interest receivable on deposits, receivables, etc.: | | | | |
| Related parties (refer Note 33) | - | 318.34 | - | 55.63 |
| Others | - | 61.68 | - | 71.05 |
| Receivables from Gas pool operator | - | 1,348.16 | - | 961.03 |
| Other receivable | | | | |
| Related parties (refer Note 33) | - | 56.18 | - | 42.65 |
| **Total other financial assets** | **-** | **50,419.05** | **-** | **33,718.27** |

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

## NOTE 11: ASSETS CLASSIFIED AS HELD FOR SALE

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Discarded property, plant and equipment | 23.26 | 23.26 |
| **Total assets classified as held for sale** | **23.26** | **23.26** |

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

## NOTE 12: EQUITY SHARE CAPITAL

**(a) Details of authorised, issued, subscribed and fully paid up share capital:**

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Authorised share capital** | | |
| 900,000,000 (31st March 2023: 900,000,000) equity shares of ₹ 10 each (31st March 2023: ₹ 10 each) | 90,000.00 | 90,000.00 |
| 10,000,000 (31st March 2023: 10,000,000) 7% Non cumulative Redeemable preference shares of ₹ 100/- each (31st March 2023: ₹100 each) | 10,000.00 | 10,000.00 |
| **Total authorised share capital** | **1,00,000.00** | **1,00,000.00** |
| **Issued, subscribed and fully paid up shares** | | |
| 814,778,646 (31st March 2023: 814,497,619) equity shares of ₹ 10 (31st March 2023: ₹10) each fully paid | 81,477.86 | 81,449.76 |
| **Total equity share capital** | **81,477.86** | **81,449.76** |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:**

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of equity shares | Amount | Number of equity shares | Amount |
| Balance at the beginning of the year | 81,44,97,619 | 81,449.76 | 57,54,50,000 | 57,545.00 |
| Changes during the year | 2,81,027 | 28.10 | 23,90,47,619 | 23,904.76 |
| Balance at the end of the year | 81,47,78,646 | 81,477.86 | 81,44,97,619 | 81,449.76 |

**(c) Terms/ rights attached to equity shares:**

1) The Company has only one class of equity share having par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.

2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the respective shareholders.

**(d) Shares held by holding company are as below:**

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of equity shares | Amount | Number of equity shares | Amount |
| **Name of shareholder** | | | | |
| Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as Zuari Maroc Phosphates Limited (ZMPL)) | 45,69,42,507 | 45,694.25 | 45,69,42,507 | 45,694.25 |

**(e) Details of equity shareholders holding more than 5% of the aggregate equity shares in the Company:**

| Name of equity shareholder | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Number of equity shares | Amount | Number of equity shares | Amount |
| Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL) | 45,69,42,507 | 56.08% | 45,69,42,507 | 56.10% |
| SBI Multicap Fund | 6,82,95,622 | 8.38% | 4,76,68,663 | 5.85% |

(f) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(g) As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(h) Stock option schemes

Information relating to Employee Stock Option Plan, including details of options granted and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 42(a).

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**(i) Details of shareholding of promoters:**

| Name of equity shareholder | As at 31st March 2024 | | Reduction of shareholding | As at 31st March 2023 | |
|---|---|---|---|---|---|
| | Number of equity shares | % of total shares in the class | % of change | Number of equity shares | % of total shares in the class |
| Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL) | 45,69,42,507 | 56.08% | 0.02% | 45,69,42,507 | 56.10% |

## NOTE 13: OTHER EQUITY

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Retained earnings | 2,01,196.75 | 1,95,469.07 |
| - Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/ loss of defined benefit plans. | | |
| Securities premium | 73,540.11 | 73,404.20 |
| - Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013. | | |
| Share option outstanding reserve | 333.28 | 197.83 |
| - This reserve relates to stock options granted by the Company to eligible employees under PPL Employees Stock Option Plan 2021 ("ESOP 2021"). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options. | | |
| Foreign currency translation reserve (FCTR) | (107.99) | (50.63) |
| - Exchange differences on translating the financial statements of foreign operations | | |
| **Total other equity** | **2,74,962.15** | **2,69,020.47** |

Refer consolidated statement of changes in equity for movement during the years.

**Proposed dividend on equity shares not recognised as liability ***

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Proposed final dividend | **4,073.89** | **4,072.49** |

The Board of Directors has recommended a dividend of 5% i.e. ₹ 0.50 per equity share of ₹ 10 each fully paid up

* Proposed dividend on equity shares is subject to approval of shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 14(A): NON-CURRENT BORROWINGS

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current Maturities | Non-current | Current Maturities |
| **Secured** | | | | |
| Rupee term loan from banks | 67,650.58 | 38,228.94 | 61,188.79 | 35,893.02 |
| Amount of current maturities disclosed under the head "current borrowings" (refer note 14(c)) | - | (38,228.94) | - | (35,893.02) |
| **Total non-current borrowings** | **67,650.58** | **-** | **61,188.79** | **-** |

Non-Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

**Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:**

| Particulars of loan | Security | Terms of repayment | Period / Year end | Effective interest rate |
|---|---|---|---|---|
| Rupee term loan from- ICICI Bank | First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets. | Repayable in 20 quarterly instalments commenced from 31st December 2018, of which first 8 quarterly instalments are of ₹ 500.00, next 4 quarterly instalments of ₹ 1000.00 and remaining 8 quarterly instalments of ₹ 1500.00 | 31st March 2024<br>31st March 2023 | -<br>9.00% |
| Rupee term loan from- Bank of India | First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets. | Repayable in 16 quarterly instalments of ₹ 1337.50 commenced from 30th September 2022. | 31st March 2024<br>31st March 2023 | 10.43%<br>7.75% |
| Rupee term loan from Axis Bank | First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets. | Repayable in 6 quarterly instalments of ₹ 2698.00 and final instalment of ₹2812.00 commenced from 4th April 2023. | 31st March 2024<br>31st March 2023 | 8.30%<br>8.30% |
| Rupee term loan from- ICICI Bank | First pari passu with the mortgages and charges created in respect of immovable properties and movable properties | Repayable in 16 quarterly instalments of ₹ 937.50 commenced from 31st March 2023. | 31st March 2024<br>31st March 2023 | 10.05%<br>10.35% |
| Rupee term loan from- ICICI Bank | First pari passu with the mortgages and charges created in respect of movable properties | Repayable in 10 quarterly instalments of ₹ 1500.00 commenced from 31st March 2022. | 31st March 2024<br>31st March 2023 | 9.05%<br>8.75% |
| Rupee term loan from- SBI | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 20 quarterly instalments of ₹ 850.00 commenced from 1st October 2023. | 31st March 2024<br>31st March 2023 | 9.10%<br>9.85% |
| Rupee term loan from- HDFC | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 20 quarterly instalments of ₹ 1083.15 commenced from 1st September 2022. | 31st March 2024<br>31st March 2023 | 9.80%<br>9.00% |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars of loan | Security | Terms of repayment | Period / Year end | Effective interest rate |
|---|---|---|---|---|
| Rupee term loan from- Indian Bank | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 20 quarterly instalments of ₹ 597.16 commenced from 1st December 2022. | 31st March 2024 | 9.65% |
| | | | 31st March 2023 | 8.85% |
| Rupee term loan from- Canara Bank | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 20 quarterly instalments of ₹ 1640.00 commencing from 1st January 2025. | 31st March 2024 | 9.70% |
| | | | 31st March 2023 | 8.90% |
| Rupee term loan from- Indusind Bank | First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets. | Repayable in 16 quarterly instalments commencing from 31st December 2025, of which first 4 quarterly instalments are of ₹ 833.25, next 8 quarterly instalments of ₹ 1666.50 and remaining 4 quarterly instalments of ₹ 833.25 | 31st March 2024 | 8.50% |
| | | | 31st March 2023 | - |
| Rupee term loan from- ICICI Bank | First pari passu with the mortgages and charges created in respect of movable properties and immovable properties | Repayable in 12 quarterly instalments of ₹ 2083.33 commencing from 30th June 2024 | 31st March 2024 | 9.05% |
| | | | 31st March 2023 | - |

## NOTE 14(B): LEASE LIABILITIES

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | current | Non-current | current |
| Lease Liabilities* | 1,722.29 | 210.89 | 1,603.78 | 77.32 |
| **Total** | **1,722.29** | **210.89** | **1,603.78** | **77.32** |

* Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Opening** | 1,681.10 | - |
| **Adjustment on account of business acquisition (refer Note 44(a))** | - | 1,444.10 |
| Additions | 383.90 | 285.79 |
| **Accretion of interest** | 154.91 | 98.16 |
| Payments | (286.73) | (146.95) |
| **Closing** | **1,933.18** | **1,681.10** |

The effective interest rate for lease liabilities is 8.50%, with maturity between 2023-2048.

**Maturity profile of lease liability**

| Ageing | Total rent payments | Interest payment | Net Amount |
|---|---|---|---|
| Less than 1 year | 304.47 | 142.65 | **161.82** |
| 1-3 years | 615.72 | 248.34 | **367.38** |
| 3-5 years | 551.67 | 183.94 | **367.73** |
| > 5 years | 1,826.60 | 790.35 | **1,036.25** |
| **Total** | **3,298.46** | **1,365.28** | **1,933.18** |





Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 14(C): CURRENT BORROWINGS

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **From banks:** | | |
| **Secured** | | |
| **Other loans** | | |
| Working capital demand loan | 59,400.00 | 80,016.30 |
| Buyer's credit | 31,785.61 | 1,24,943.60 |
| Supplier's credit | 1,19,914.89 | 1,33,900.61 |
| Local bills discounted with bank | 82,457.52 | 19,981.32 |
| Other loans from bank | - | 6,250.00 |
| Current maturity of non-current borrowings | 38,228.94 | 35,893.02 |
| **Unsecured** | | |
| Other loans from bank | - | 936.68 |
| **Total current borrowings** | **3,31,786.96** | **4,01,921.53** |

Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value.

**Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:**

| Particulars of loan | Security | Terms of repayment | Period | Principal Amount | Effective interest rate |
|---|---|---|---|---|---|
| Working capital demand loan (WCDL) (secured) | First charge by way of hypothecation on all current assets and second charge on all immovable & movable properties of the Company (other than certain current assets hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis. | Repayable over a period of 11 to 91 days | 31st March 2024 | 59,400.00 | 7.38% to 10.56% |
| | | | 31st March 2023 | 80,016.30 | 8.24% |
| Supplier's credit(secured)/ buyer's credit (secured) | | Repayable over a period of 30 to 180 days | 31st March 2024 | 1,51,700.50 | 6 month SOFR plus 0.15% to 0.75% |
| | | | 31st March 2023 | 2,58,844.21 | 6 month LIBOR / SOFR plus 0.25% to 0.75% |
| Local Bills discounted with bank (secured) | | Repayable over a period of 91 to 180 days | 31st March 2024 | 82,457.52 | 7.35% to 8.40% |
| | | | 31st March 2023 | 19,981.32 | 8.23% |
| Others loans (secured) | The loan is secured against 100% fixed deposit | Repayable over a period of 90 to 180 days | 31st March 2024 | - | - |
| | | | 31st March 2023 | 6,250.00 | 7.35% |
| Others Loans (unsecured) | Unsecured | Repayable on demand | 31st March 2024 | - | - |
| | | | 31st March 2023 | 936.68 | 7.51% |

**Details of securities as reported in the books vis-à-vis quarterly return:**

| Particulars of securities | Name of the bank | Quarter | Amount as per books of accounts | Amount as reported in the quarterly return | Amount of difference | Reason of material difference |
|---|---|---|---|---|---|---|
| Inventory | State Bank of India | Jun-23 | 2,85,246.24 | 2,85,246.24 | - | There is no difference in inventory, receivables and other assets |
| Receivables | | | 3,90,757.97 | 3,90,757.97 | - | |
| Other Current Assets | | | 1,15,264.92 | 1,15,264.92 | - | |
| **Total** | | | **7,91,269.12** | **7,91,269.12** | **-** | |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars of securities | Name of the bank | Quarter | Amount as per books of accounts | Amount as reported in the quarterly return | Amount of difference | Reason of material difference |
|---|---|---|---|---|---|---|
| Inventory | State Bank of India | Sep-23 | 1,92,557.91 | 1,92,557.91 | - | There is no difference in inventory, receivables and other assets |
| Receivables | | | 2,64,219.87 | 2,64,219.87 | - | |
| Other Current Assets | | | 1,22,033.22 | 1,22,033.22 | - | |
| **Total** | | | **5,78,811.00** | **5,78,811.00** | **-** | |
| Inventory | State Bank of India | Dec-23 | 1,85,914.06 | 1,85,914.06 | - | |
| Receivables | | | 2,97,041.52 | 2,97,041.52 | - | |
| Other Current Assets | | | 1,11,314.66 | 1,11,314.66 | - | |
| **Total** | | | **5,94,270.24** | **5,94,270.24** | **-** | |

## NOTE 15: OTHER FINANCIAL LIABILITIES

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Financial liabilities at fair value through profit or loss** | | | | |
| **Derivatives not designated as hedges** | | | | |
| Foreign-exchange forward contracts | - | - | - | 1,628.93 |
| **Total financial liabilities at fair value through profit or loss** | **-** | **-** | **-** | **1,628.93** |
| **Other financial liabilities at amortised cost*** | | | | |
| Earnest money/Security deposits | | | | |
| Others | - | 13,334.09 | - | 12,804.58 |
| Employee related dues | - | 5,050.07 | 180.42 | 3,886.71 |
| Creditors for property, plant and equipments (including retention money from contractors/ suppliers) | | | | |
| Others | - | 2,026.72 | - | 1,764.38 |
| Unpaid dividend | - | 2.10 | - | - |
| Interest accrued but not due on borrowings | - | 2,042.45 | - | 2,483.62 |
| Payable against buiness acquisition (refer Note 33) | - | - | - | 1,434.89 |
| **Total other financial liabilities at amortised cost** | **-** | **22,455.43** | **180.42** | **22,374.18** |
| **Total other financial liabilities** | **-** | **22,455.43** | **180.42** | **24,003.11** |

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.





Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 16: PROVISIONS

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Provision for employee benefits* (refer Note 32)** | | | | |
| Post retirement medical benefits | 76.41 | 5.94 | 143.29 | 11.15 |
| Gratuity | 938.34 | 179.66 | 465.99 | 72.09 |
| Leave salary | - | 5,024.74 | - | 5,269.33 |
| **Other provisions (refer Note 'a' below)** | | | | |
| Contractors | 1,606.65 | - | 1,769.93 | - |
| Others | | | | |
| - Capital expenditure | - | 129.36 | - | 250.18 |
| - Others | - | 1,945.20 | - | 3,397.81 |
| **Total provisions** | **2,621.40** | **7,284.90** | **2,379.21** | **9,000.56** |

* The classification of current/non current for provision for employee benefits has been determined by the actuary of the Company, based upon estimated amount of cash outflow during the next 12 months from the balance sheet date.

**Note a: The movement for “Other provisions” during the year is as follows:**

Movement of provisions during the year as required by Ind AS 37 “Provisions, Contingent Liabilities and Contingent Asset”

**Capital expenditure**

| | As at 31st March 2024 | | | As at 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | Capital Expenditure ** | Contractors | Others ** | Capital Expenditure ** | Contractors | Others ** |
| Opening balance | 250.18 | 1,769.93 | 3,397.81 | 250.18 | 951.78 | 3,207.96 |
| Adjustment on account of bueiness acquisition (refer Note 44(a)) | - | - | - | - | 829.24 | - |
| Provision made during the year | - | - | 67.27 | - | (11.09) | 189.85 |
| Provision made during the year | (120.82) | (163.28) | (1,519.88) | - | - | - |
| | **129.36** | **1,606.65** | **1,945.20** | **250.18** | **1,769.93** | **3,397.81** |

**** Closing balance includes the following provisions**

| | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Capital Expenditure | Others | Capital Expenditure | Others |
| Ground rent (refer note i below) | - | 1,417.37 | - | 2,876.70 |
| Land compensation (including interest) (refer note ii below) | 129.36 | - | 250.18 | - |
| Employees’ state insurance (refer note iii below) | - | 234.39 | - | 227.67 |
| Provision for others (freight claims) | - | 293.44 | - | 293.44 |
| | **129.36** | **1,945.20** | **250.18** | **3,397.81** |

i. The Land Policy of Port land has been revised as per the Land Policy Guidelines issued by the Ministry of Shipping, Government of India. Pursuant to the said policy and pending outcome of negotiation with Paradeep Port Trust, the Company has made provision towards ground rent, interest and taxes amounting to ₹ 1,417.37 (31st March 2023: ₹ 2,876.70) against the demand raised by Paradeep Port Trust.

ii. In terms of meeting for amicable settlement of dispute the additional compensation to the land losers, under the chairmanship of the Collector and District Magistrate, Jagatsinghpur, it was decided to pay additional compensation

Notes to the Consolidated financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

at the rate fixed to the claimants through the Special Land Acquisition Officer (Spl. LAO), Government of Odisha. Since the disbursement process to land losers had started in the financial year 2010-11 through Spl. LAO, the Company had accounted for total estimated liability of ₹ 566.01 (including interest of ₹ 418.01) during the financial year 2010-11. The outstanding liability as on 31st March 2024 stands at ₹ 129.36 (31st March 2023: ₹ 250.18) after making payment to Spl. LAO.

iii. Employees' State Insurance Corporation (ESIC) raised various demands against the Company in respect of both contract labourers and employees in earlier years, which were contested by the Company in various Courts and Authorities. The Company is continuing with the provision existing in the books as on 31st March 2024 as ₹ 234.39 (31st March 2023: ₹ 227.67)

## NOTE 17: INCOME TAX

**A. Amount recognised in the profit or loss**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---:|---:|
| **Current tax expense :** | | |
| Current year | - | 9,629.93 |
| Income tax for earlier years | (279.76) | 333.15 |
| **Deferred tax charge / (credit):** | | |
| Relating to origination and reversal of temporary differences | 4,372.26 | 2,234.64 |
| **Total tax expense** | **4,092.50** | **12,197.72** |

**B. Amount recognised in the Other Comprehensive Income**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---:|---:|
| Deferred tax charge / (credit) to remeasurement of defined benefit liability | (65.12) | 23.23 |

**C. Reconciliation of effective tax rate**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---:|---:|
| **Profit before income tax from continuing operations** | 14,083.42 | 42,616.98 |
| Profit before income tax | **14,016.72** | **42,566.46** |
| At India's statutory income tax rate of 25.168% | 3,527.73 | 10,713.13 |
| **Tax effects of amount which are not deductible / (taxable) in calculating taxable income -** | | |
| CSR expenditure | 260.66 | 189.85 |
| Interest under Section 234B/234C | (9.99) | 29.56 |
| Impact of capitalisation on carrying value of assets | 535.59 | 141.97 |
| On stamp duty | - | 772.63 |
| Others | 58.27 | 17.43 |
| **Effective tax charge** | **4,372.26** | **11,864.57** |
| Add: Tax impact for earlier years | (279.76) | 333.15 |
| **Tax expenses as per the Statement of Profit and Loss** | **4,092.50** | **12,197.72** |



Notes to the Consolidated financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

**D. Movement in Deferred tax balances**

| | Balance as at 1st April 2023 | Recognised in profit or loss | Recognised in OCI | Balance as at 31st March 2024 |
|---|---:|---:|---:|---:|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment (including intangible assets) | 16,231.63 | 4,203.91 | - | 20,435.54 |
| On account of statutory dues | 650.34 | (0.06) | - | 650.28 |
| **Total deferred income tax liabilities** | **16,881.97** | **4,203.85** | **-** | **21,085.82** |
| **Deferred tax assets** | | | | |
| Effect of loss allowance | 1,565.31 | 103.44 | - | 1,668.75 |
| Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961 | 3,814.56 | 95.51 | 65.12 | 3,975.19 |
| Provision for other liabilities | 724.08 | (367.36) | - | 356.72 |
| **Total deferred income tax assets** | **6,103.95** | **(168.41)** | **65.12** | **6,000.66** |
| **Net deferred tax liabilities / (assets)** | **10,778.02** | **4,372.26** | **(65.12)** | **15,085.16** |

| | Balance as at 1st April 2022 | Recognised in profit or loss | Recognised in OCI | On account of business acquistion | Balance as at 31st March 2023 |
|---|---:|---:|---:|---:|---:|
| **Deferred tax liabilities** | | | | | |
| Property, plant and equipment (including intangible assets) | 14,110.91 | 2,120.72 | - | - | 16,231.63 |
| On account of statutory dues | 641.47 | 8.87 | - | - | 650.34 |
| **Total deferred income tax liabilities** | **14,752.38** | **2,129.59** | **-** | **-** | **16,881.97** |
| **Deferred tax assets** | | | | | |
| Effect of loss allowance | 1,254.25 | 231.04 | - | 80.02 | 1,565.31 |
| Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961 | 3,602.07 | (382.22) | (23.23) | 617.94 | 3,814.56 |
| Provision for other liabilities | 677.95 | 46.13 | - | - | 724.08 |
| MAT credit entitlement | - | - | - | | - |
| **Total deferred income tax assets** | **5,534.27** | **(105.05)** | **(23.23)** | **697.96** | **6,103.95** |
| **Net deferred tax liabilities / (assets)** | **9,218.11** | **2,234.64** | **23.23** | **(697.96)** | **10,778.02** |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 18: TRADE PAYABLES

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 929.88 | 667.47 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| - Related parties (refer Note 33) | 58,620.73 | 76,914.70 |
| - Others | 89,261.12 | 1,13,665.50 |
| | **1,48,811.73** | **1,91,247.67** |

Trade payables are carried at amortised cost which are a reasonable approximation of their fair value.

Trade payables include acceptances from related parties and others amounting to ₹ 54,114.86 and ₹ 54,276.87 (31st March 2023: ₹ 73,453.96 and ₹ 71,306.69) respectively.

**Note:**

Trade payables and acceptances are non-interest bearing and are normally settled on 30 to 180 day terms.

The amount due to Micro and small enterprises as defined under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such suppliers have been identified on the basis of information available with the Company. The details are as under:

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| (i) the principal amount remaining unpaid at the end of financial year interest due thereon remaining unpaid to any supplier as at the end of financial year | 929.88 | 667.47 |
| (ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| (iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (iv) the amount of interest accrued and remaining unpaid at the end of the year | - | - |
| (v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

**Trade payable ageing schedule**

**As at 31st March 2024**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | Total |
| (i) MSME | - | 929.88 | - | - | - | 929.88 |
| (ii) Others | 20,957.38 | 1,02,463.87 | 3,575.10 | 1,293.57 | 189.51 | 1,28,479.43 |
| (iii) Disputed Dues-MSME | - | - | - | - | - | - |
| (iv) Disputed Dues-Others | - | - | - | - | - | - |
| (v) Unbilled dues | 19,402.42 | - | - | - | - | 19,402.42 |
| **Total** | **40,359.79** | **1,03,393.75** | **3,575.10** | **1,293.57** | **189.51** | **1,48,811.73** |



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**As at 31st March 2023**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | Total |
| (i) MSME | - | 667.47 | - | - | - | 667.47 |
| (ii) Others | 4,273.43 | 1,68,499.93 | 1,572.19 | 196.01 | 701.74 | 1,75,243.30 |
| (iii) Disputed Dues-MSME | - | - | - | - | - | - |
| (iv) Disputed Dues-Others | - | - | - | - | - | - |
| (v) Unbilled dues | 15,336.90 | - | - | - | - | 15,336.90 |
| **Total** | **19,610.34** | **1,69,167.40** | **1,572.19** | **196.01** | **701.74** | **1,91,247.67** |

## NOTE 19: OTHER CURRENT LIABILITIES

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Rebate liabilities | 3,899.49 | 2,455.00 |
| Interest on statutory dues | - | 89.13 |
| Statutory dues | 7,155.30 | 7,891.53 |
| Advance from customers | 965.64 | 1,118.84 |
| | **12,020.43** | **11,554.50** |

## NOTE 20: REVENUE FROM OPERATIONS

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Sale of products | 5,64,331.03 | 4,76,987.91 |
| Subsidy from the Government of India on fertilisers (refer note (c) below) | 5,91,975.29 | 8,56,302.14 |
| Other operating revenues - Scrap sales | 1,205.66 | 782.14 |
| **Revenue from operations *** | **11,57,511.98** | **13,34,072.19** |

* Revenue is net of rebates, discounts and goods and service tax.

**(a) Reconciliation of revenue recognised with contract price:**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Contract price | 11,84,093.47 | 13,45,229.04 |
| Adjustment for: | | |
| Variable considerations - rebates | (26,581.49) | (11,156.85) |
| **Revenue from operations** | **11,57,511.98** | **13,34,072.19** |

**(b) Contract balances**

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade receivables | 2,72,047.93 | 3,68,973.75 |
| Contract liabilities - advance from customers | 965.64 | 1,118.84 |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**(c) Subsidy from Government of India on fertilisers:**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| On finished goods [including freight subsidy ₹ 38,385.45 (31st March 2023: ₹ 30,624.72)] | 5,44,844.77 | 8,27,811.98 |
| On traded goods [including freight subsidy ₹ 3,810.48 (31st March 2023: ₹ 1,070.68)] | 47,130.52 | 28,490.16 |
| | **5,91,975.29** | **8,56,302.14** |

## NOTE 21: OTHER INCOME

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Interest income on: | | |
| Bank deposits* | 264.80 | 625.39 |
| Income tax refund | - | 39.02 |
| Others* | 361.06 | 361.11 |
| Rent income | 291.22 | 304.13 |
| Loss allowance written back | 335.58 | 474.91 |
| Excess provision/unclaimed balances written back | 3,514.55 | 6,408.08 |
| Profit on sale of current investments | 111.58 | 93.36 |
| Miscellaneous income | 2,004.72 | 801.00 |
| | **6,883.51** | **9,107.00** |

* Interest income calculated using effective interest method in relation to financial assets carried at amortised cost.

## NOTE 22: COST OF RAW MATERIALS CONSUMED

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Inventory at the beginning of the year | 1,05,702.78 | 1,37,959.00 |
| Add: Purchases | 7,54,000.03 | 10,26,826.47 |
| Add: Adjustment on account of buiness acquisition (refer Note 44(a)) | - | 3,209.19 |
| Less: Inventory at the end of the year | (93,696.43) | (1,05,702.78) |
| Less: Traded goods transferred from raw materials | (8,303.94) | (19,207.63) |
| Add: Traded goods transferred to raw materials | 3,201.40 | 885.27 |
| **Cost of raw materials consumed** | **7,60,903.84** | **10,43,969.52** |

## NOTE 23: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| **Opening stock** | | |
| - Finished goods | 80,537.48 | 24,941.42 |
| - Intermediates (work in progress) | 9,373.92 | 10,991.95 |
| - By-Products | 13,201.69 | 13,183.92 |
| - Traded goods (stock in trade) | 2,708.37 | 35,650.63 |
| **Total (A)** | **1,05,821.46** | **84,767.92** |
| **Add:- Adjustment on account of business acquisition (refer Note 44(a))** | | |
| - Finished goods | - | 1,742.67 |
| - Intermediates (work in progress) | - | 45.39 |
| - Traded goods (stock in trade) | - | 65.39 |
| **Total (B)** | **-** | **1,853.45** |
| **Less: Closing stock** | | |
| - Finished goods | 50,188.02 | 80,537.48 |
| - Intermediates (work in progress) | 10,243.76 | 9,373.92 |
| - By-Products | 14,388.26 | 13,201.69 |
| - Traded goods (stock in trade) | 2,672.09 | 2,708.37 |
| **Total (C)** | **77,492.13** | **1,05,821.46** |
| Traded goods transferred from raw materials | **(8,303.94)** | **(19,207.63)** |
| Traded goods transferred to raw materials | **3,201.40** | **885.27** |
| **Total (D)** | **(5,102.54)** | **(18,322.36)** |
| **(Increase)/ decrease in inventories of finished goods, stock-in trade and work-in-progress (A+B-C-D)** | **33,431.87** | **(877.73)** |

## NOTE 24: EMPLOYEE BENEFITS EXPENSE

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Salaries, wages and bonus | 18,404.84 | 17,091.03 |
| Contribution to provident and other funds (refer Note 32) | 1,375.70 | 1,256.38 |
| Gratuity (refer Note 32) | 308.82 | 405.20 |
| Staff welfare expenses | 2,703.86 | 2,369.81 |
| Share based payments (equity settled) | 185.55 | 197.83 |
| **Total employee benefits expense** | **22,978.77** | **21,320.25** |

The Code of Social Security, 2020 ("the Code") relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect.

## NOTE 25: FINANCE COSTS

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Interest expense on liabilities measured at amortised cost* | 29,660.61 | 19,749.45 |
| Exchange differences to the extent considered as an adjustment to borrowing costs | 2,467.72 | 5,260.88 |
| Bank charges | 4,474.37 | 3,972.26 |
| Interest on income tax | - | 141.66 |
| **Total finance costs** | **36,602.70** | **29,124.25** |

* Net of amount included in the cost of qualifying assets.

## NOTE 26: DEPRECIATION AND AMORTISATION EXPENSE

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (refer Note 4(a)) | 20,802.68 | 17,310.39 |
| Amortisation of intangible assets (refer Note 4(d)) | 51.71 | 88.76 |
| Amortisation of right of use assets (refer Note 4(c)) | 212.64 | 116.16 |
| **Total depreciation and amortisation expense** | **21,067.03** | **17,515.31** |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 27: OTHER EXPENSES

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Consumption of stores and spare parts | 6,415.17 | 4,996.20 |
| Consumption of packing materials | 9,174.66 | 8,989.11 |
| Chemical consumed | 2,896.54 | 3,111.29 |
| Catalysts consumed | 617.05 | 525.15 |
| Payment to contractors for bagging and other services | 6,957.12 | 6,165.52 |
| Power and fuel | 52,093.00 | 62,609.91 |
| Water charges | 1,646.80 | 1,425.18 |
| Rent [refer note (ii) below] | 485.79 | 1,234.38 |
| Rates and taxes | 100.50 | 3,155.89 |
| Insurance | 2,324.35 | 2,106.21 |
| Repairs and maintenance: | - | - |
| Plant and machinery | 6,105.57 | 4,872.59 |
| Buildings | 693.28 | 659.02 |
| Others | 953.91 | 856.92 |
| Selling and distribution expenses: | - | - |
| Freight and handling | 62,838.94 | 48,100.77 |
| Warehouse rent | 1,237.71 | 562.32 |
| Commission | 264.30 | 570.36 |
| Publicity and sales promotion expenses | 1,334.19 | 1,060.03 |
| Other selling expenses | 564.91 | 391.44 |
| Travelling and conveyance expenses | 1,156.44 | 959.63 |
| Professional, consultancy and legal expenses | 1,172.31 | 815.19 |
| Corporate social responsibility expenditure | 1,035.68 | 754.32 |
| Donation | 0.15 | 0.75 |
| Payment to statutory auditors [refer note (i) below] | 165.63 | 142.83 |
| Exchange differences (net) | 2,005.10 | 8,579.42 |
| Bad debts, claims and advances written off, net of provision of ₹ 46.89 (31st March 2023: ₹ 56.55) | 33.76 | 68.73 |
| Loss allowance | 797.88 | 1,239.90 |
| Loss on sale/discard of property, plant and equipment (net) | 2,431.13 | 1,511.90 |
| Miscellaneous expenses | 4,384.08 | 5,870.05 |
| **Total other expenses** | **1,69,885.95** | **1,71,335.01** |

**(i) Auditors' remuneration**

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| As auditors | | |
| - Statutory audit | 55.00 | 55.00 |
| - Tax audit | 8.00 | 8.00 |
| - Other services | 93.00 | 72.62 |
| Reimbursement of expenses | 9.63 | 7.21 |
| | **165.63** | **142.83** |



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**(ii) Leases**

**Short-term leases**

The Company leases office which are considered to be short-term leases as the agreement is for the period of 12 months and below.

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Expenses relating to short-term leases | 485.79 | 1,234.38 |
| Total cash outflow for leases | 485.79 | 1,234.38 |

Lease payments for short-term leases not included in the measurement of the lease liability and are classified as cash flows from operating activities.

## NOTE 28: EARNINGS PER SHARE

**A. Basic and diluted earnings per share**

| | | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|
| (i) | Profit for the year, attributable to the equity holders of the Company | 9,990.92 | 30,419.26 |
| (ii) | Weighted average number of equity shares - Nominal value of shares at ₹ 10 each ^ | | |
| | Basic (a) | 81,46,73,086 | 77,97,86,595 |
| | Impact of employee stock option plans (b) | 9,39,834 | 3,52,373 |
| | Diluted (c = a + b) | 81,56,12,920 | 78,01,38,968 |
| (iii) | Earnings per share | | |
| | (Basic) [(i)/ (ii)] | 1.22 | 3.90 |
| | (Diluted) [(i)/ (ii)] | 1.22 | 3.90 |

Note:- The calculation of basic include impact of shares issued during the year. The calculation of diluted weighted average number of shares include impact of employee share option plans.

## NOTE 29: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Claims against company not acknowledged as debt** | | |
| Subsidy withheld (refer Note (a) below) | 5,352.12 | 5,352.12 |
| Goods and services tax demand | 465.85 | 182.72 |
| Entry tax demand on imported raw materials including interest and penalty | 2,909.39 | 2,909.39 |
| Sales tax/VAT/CST demands | 10,561.64 | 10,561.64 |
| Central Excise demands | 234.14 | 234.14 |
| Service tax demand | 88.80 | 88.80 |
| Custom duty and counterveiling duty | 582.44 | 582.44 |
| Income tax demands | 217.94 | 284.33 |
| Demand under Goa green Cess Act 2013 | 5,348.85 | 4,291.34 |
| Others claims against the Company not acknowledged as debt (refer Note (b) below) | 4,448.83 | 3,868.12 |

**a) Subsidy withheld**

Department of Fertiliser, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to ₹ 5352.12, being the subsidy amount including freight subsidy. The amount has been withheld on the

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

basis of samples collected by the Department from Mundra Port which were reported to be deficient on account of water soluble P2O5 content as per Fertiliser Control Order (FCO) but there was no deficiency as regards to the nutrient content. The Company has represented to the Department of Fertilisers to re -examine the case on the following grounds – (a) Failure is on account of water solubility and not on account of nutrient content. The nutrient content on which the Nutrient Based Subsidy is paid meets the FCO specifications (b) Water Solubility is more than 85% of the total P2O5 (c) All precautions were taken at the load port on having an international recognised inspection agency based on which the goods were shipped and dispatched and (d) The intimation on the original sample failure as well as the referee sample failure were received long after materials were dispatched well beyond the dispatch of the material to various destinations. Based on the revised notification from GOI dated 6th February 2017, water soluble P2O5 content of DAP is revised to 39.5% instead of 41%. DAP import for which the amount withheld has water soluble content of 39.53%. Further, vide Notification no 3-9/2008 Fert Law dated 18th November 2011 in which Triple Super Phosphate (TSP) with total P2O5 content of 46% and water soluble content of only 36.8% has been allowed to be imported and paid subsidy for 46% of P2O5. Based on above, the Company has made a representation that as per revised notification, water soluble content is as per norms and further permitting a product with same total P2O5 and less water soluble P2O5 as standard and declaring a product imported by the Company with 39.53% as non- standard is not fair. The Company is confident to receive a favorable outcome.

**b) Others claims against the Company not acknowledged as debt**

It includes the following:

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Penal interest on loan from Government of India, due to delay | 344.43 | 344.43 |
| Industrial dispute and miscellaneous labour cases pending at various forums at different stages of dispute. | 491.90 | 493.99 |
| Interest on water charges due to delay in payments | 3,608.87 | 2,845.49 |
| Others | 3.63 | 184.21 |
| | **4,448.83** | **3,868.12** |

Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in the above mentioned cases and hence, no provision is considered necessary. The above has been compiled based on the information and records available with the Company.

## NOTE 30: COMMITMENTS

**Capital commitments**

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances | 14,013.50 | 16,206.88 |

## NOTE 31: OPERATING SEGMENTS

**a. Basis of segmentation**

The Company's business activity falls within a single Operating Segment "Fertilisers and Other Trading Materials", and thus no further disclosures are required in accordance with Indian Accounting Standard (Ind AS)– 108 "Operating Segment".

**b. Geographic information**

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



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 32: DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS

**Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1976. The scheme is funded with Life insurance Corporation of India (LIC) in the form of qualifying insurance policy. The Company undertakes all the risk pertaining to the plan.

**Post Retirement medical benefit plan**

The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company.

**Provident fund**

The Company has set up provident fund trust wherein contributions are made and accordingly the same is considered as a defined benefit plan in accordance with Ind-AS 19, Employee Benefits, wherein provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. During the current year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by the Institute of Actuaries.

**A. Defined contribution plan:**

The amount provided for defined contribution plans are follows:

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Pension Scheme | 217.38 | 203.07 |
| Superannuation Fund | 190.39 | 195.07 |
| National Pension Scheme | 188.65 | 148.69 |
| **Total** | **596.42** | **546.83** |

**B. Gratuity and other post-employment benefit plans:**

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Gratuity Plan - (Liability) | (1,118.00) | (538.08) |
| Post retirement medical benefits plan - (Liability) | (82.35) | (154.44) |

**C. Other long term employee benefits:**

The amount provided for during the year is as follows:

| Particulars | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Leave encashment | 573.54 | 718.01 |

**D. Reconciliation of the net defined benefit (asset)/ liability**

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**Gratuity plan:**

| Particulars | 31st March 2024 | | | 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | Defined benefit obligation | Fair value of plan assets | Benefit (liability) | Defined benefit obligation | Fair value of plan assets | Benefit (liability) |
| **Balance at the beginning of the year** | (6,713.30) | 6,175.21 | (538.08) | (5,500.19) | 3,729.15 | (1,771.05) |
| **Adjustment on account of business acquisition (refer Note 44(a))** | - | - | - | (1,401.08) | 1,196.67 | (204.41) |
| **Included in Profit or loss** | | | | | | |
| Current service cost | (268.65) | - | (268.65) | (266.52) | - | (266.52) |
| Past service cost | - | - | - | - | - | - |
| Net interest expense/income | (501.20) | 461.03 | (40.18) | (479.47) | 340.79 | (138.68) |
| | **(769.85)** | **461.03** | **(308.82)** | **(745.99)** | **340.79** | **(405.21)** |
| **Included in OCI** | | | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | - | (39.21) | (39.21) | - | (23.93) | (23.93) |
| Actuarial loss (gain) arising from experience adjustment | (132.15) | - | (132.15) | 77.07 | - | 77.07 |
| Changes in financial assumptions | (171.00) | - | (171.00) | 15.82 | - | 15.82 |
| Changes in demographic assumptions | - | - | - | - | - | - |
| | **(303.15)** | **(39.21)** | **(342.36)** | **92.89** | **(23.93)** | **68.96** |
| **Others** | | | | | | |
| Benefits paid | 897.93 | (897.93) | - | 838.46 | (838.46) | - |
| Contributions paid by employer | - | 54.50 | 54.50 | - | 1,771.00 | 1,771.00 |
| Other adjustments | 16.77 | - | 16.77 | 2.62 | - | 2.62 |
| **Balance at the end of the year** | **(6,871.60)** | **5,753.60** | **(1,118.00)** | **(6,713.30)** | **6,175.21** | **(538.08)** |

**Post retirement medical benefits plan:**

| Particulars | 31st March 2024 | | | 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | Defined benefit obligation | Fair value of plan assets | Benefit (liability) | Defined benefit obligation | Fair value of plan assets | Benefit (liability) |
| **Balance at the beginning of the year** | (154.44) | - | (154.44) | (166.03) | - | (166.03) |
| **Included in Profit or loss** | | | | | | |
| Current service cost | - | - | - | - | - | - |
| Past service cost | - | - | - | - | - | - |
| Net interest expense/income | (11.53) | - | (11.53) | (11.78) | - | (11.78) |
| | **(11.53)** | **-** | **(11.53)** | **(11.78)** | **-** | **(11.78)** |
| **Included in OCI** | | | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | - | - | - | - | - | - |
| Actuarial loss (gain) arising from experience adjustment | 85.51 | - | 85.51 | 18.99 | - | 18.99 |
| Changes in financial assumptions | (1.89) | - | (1.89) | 4.38 | - | 4.38 |
| Changes in demographic assumptions | - | - | - | - | - | - |
| | **83.62** | **-** | **83.62** | **23.37** | **-** | **23.37** |
| **Balance at the end of the year** | **(82.35)** | **-** | **(82.35)** | **(154.44)** | **-** | **(154.44)** |



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**E. Investment pattern in plan assets:**

| Particulars | As at 31st March 2024 Gratuity Fund | As at 31st March 2023 Gratuity Fund |
|---|---|---|
| Investment with insurers | 100.00% | 100.00% |

**F. Economic assumptions**

| Particulars | As at 31st March 2024 % | As at 31st March 2023 % |
|---|---|---|
| **Discount rate:** | | |
| Gratuity plan | 7.15% | 7.45% |
| Post retirement medical benefits | 7.15% | 7.45% |
| **Future salary increase:** | | |
| Gratuity plan | 8% for first two years and 6.50% thereafter | 8% for first two years and 6.50% thereafter |

**G. Sensitivity analysis**

**Gratuity plan:**

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | **Assumption: Discount rate** | | | |
| Sensitivity level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | (374.96) | 425.76 | (369.70) | 417.46 |
| | **Assumption: Future salary increase** | | | |
| Sensitivity level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | 310.26 | (302.82) | 311.20 | 438.32 |

**Post retirement medical benefits plan:**

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | **Assumption: Discount rate** | | | |
| Sensitivity level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | (6.04) | 6.87 | (11.45) | 13.07 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**H. Maturity Profile of Defined benefit obligation:**

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Gratuity Fund | Post retirement medical benefits plan | Gratuity Fund | Post retirement medical benefits plan |
| Within next 12 months | 1,207.17 | 5.94 | 880.38 | 11.15 |
| Between 2 and 5 years | 3,911.39 | 25.20 | 3,987.37 | 47.67 |
| Between 6 and 10 years | 2,429.03 | 34.16 | 2,951.26 | 64.59 |
| Beyond 10 Years | 4,267.31 | 78.97 | 4,082.76 | 160.47 |

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting year is 5 years ( 31st March 2023: 5 years).

The Company expects to contribute ₹ 1,385.71 (31st March 2023: ₹ 313.88) and ₹ 849.64 (31st March 2023: ₹ 642.30) to gratuity trust and provident fund trust respectively in the next financial year.

**I. Risk exposure**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above defined benefit which are as follows:

| | |
|---|---|
| Interest rate risk | The present value of defined benefit obligation is determined using the discount rate based on the market yield prevailing at the end of the reporting period on Government Bonds. A decrease in yield will increase the fund liabilities and vice-versa. |
| Investment Risk | This may arise from volatility in the assets value due to market fluctuation and impairment of assets due to credit losses. These plan assets are invested with LIC - the valuation of which is inversely proportional to the interest rate movements. |
| Inherent risk | The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk. |
| Salary escalation risk | The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
| Withdrawal risk | Deviations in actual withdrawal than assumed withdrawals and change of withdrawal rates at subsequent valuation can impact plan liability. |

## NOTE 33: RELATED PARTY DISCLOSURE

### A. Name of Related Parties

**Holding Company**
Zuari Maroc Phosphates Private Limited

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

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**Subsidiary of the Joint Venturer of the Holding Company**
Mangalore Chemicals and Fertilizers Limited
Zuari FarmHub Limited

**Party having significant influence**
Zuari Industries Limited (Erstwhile Zuari Global Limited)
Zuari Management Services Limited
Zuari Infraworld India Limited
Zuari IAV Private Limited
Simon India Limited
Phosphates De Boucraa SA
Pakistan Maroc Phosphore
Jorf Fertilizer SA
Adventz Finance Private Limited

**Joint Venture of Joint Venturer of the Holding Company**
Indo Maroc Phosphare S.A. Morocco

**Associate of the Company**
Zuari Yoma Agri Solutions Limited

**Key Managerial Personnel**
Mr. N. Suresh Krishnan, Managing Director
Mr. K K Rajeev Nambiar, President & Chief Operating Officer (w.e.f. 3rd January 2024)
Mr. Sabaleel Nandy, President & Chief Operating Officer (w.e.f. 1st August 2020 upto 31st March 2023)
Mr. Bijoy Kumar Biswal, Chief Financial Officer
Mr. Sachin Patil, Company Secretary

**Directors**
Mr. S. K. Poddar, Chairman
Mr. Karim Lotfi Senhadji, Director
Ms. Kiran Dhingra, Independent Director (upto 26th July 2023)
Mr. Marco P.A. Wadia, Independent Director
Mr. Satyananda Mishra, Independent Director
Mr. Dipankar Chatterji, Independent Director
Mr. Subhrakanta Panda, Independent Director
Mrs. Rita Menon, Independent Director (w.e.f. 27th June 2023)

**Enterprise where Director is interested**
Lionel India Limited

**Employee benefit trust**
PPL Employee's Provident Fund

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**B. Transactions* :**

| Name of Related Party | Sl. No. | Nature of Transactions | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|---|
| Indo Maroc Phosphare S.A. Morocco | a) | Purchase of raw materials (Phosphoric acid) | 95,780.05 | 2,19,839.79 |
| | b) | Other expenses (Demurrage Expenses) | 28.36 | 64.54 |
| | c) | Other expenses (Claims Written off) | - | (26.15) |
| OCP S.A., Morocco | a) | Purchase of raw materials (Rock phosphate) | 72,599.49 | 1,46,793.05 |
| | b) | Purchase of raw materials (Phosphoric acid) | 54,301.72 | 19,101.70 |
| | c) | Other expenses (Claims Written off) | 0.76 | |
| | d) | Other expenses (Demurrage expenses / Despatch money) | 185.79 | 584.13 |
| Phosphates De Boucraa S.A | a) | Purchase of raw materials (Rock phosphates) | 1,16,557.88 | 60,076.25 |
| | b) | Other expenses (Demurrage Expenses) | 211.32 | 53.80 |
| Jorf Fertiliser SA | a) | Purchase of stock-in-trade (Imported DAP) | - | (60.22) |
| Zuari Agro Chemicals Limited | a) | Sale of fertilisers and high sea sale | 4,617.41 | 7,653.04 |
| | b) | Purchase of fixed assets | 255.00 | - |
| | c) | Purchase of raw material for tolling | - | 3,503.49 |
| | d) | Other Expenses (Recovery of reimbursement of expenses) | 121.68 | - |
| | e) | Other expenses (Branding commission) | - | 106.09 |
| | f) | Other expenses (Exchange gain) | - | (52.91) |
| | g) | Other expenses (power and fuel) | - | 478.42 |
| | h) | Other expenses (Demurrage) | - | 16.21 |
| | i) | Other expenses (Tolling charges) | - | 642.24 |
| | j) | Other expenses (Rent) | 97.89 | 4.00 |
| | k) | Other income (Interest others) | 262.71 | 55.64 |
| | l) | Recovery of expenses | - | 25.64 |
| | m) | Purchase of business | - | 1,68,797.46 |
| Zuari Industries Limited | a) | Other expenses (Lease rent) | 1.11 | 8.09 |
| Zuari FarmHub Limited | a) | Sale of fertilisers | 18,425.66 | 21,091.58 |
| | b) | Other income (amount written back) | - | 2.80 |
| | c) | Other income (Misc income) | 694.89 | - |
| | d) | Recovery of expenses | 28.62 | 18.22 |
| | e) | Other Expenses (Reimbursement of expenses) | 12.70 | - |
| Simon India Limited | a) | Purchase of fixed asset | 3.12 | 6.17 |
| | b) | Advance written off | 24.19 | - |
| | c) | Other income | - | 42.53 |
| | d) | Other Expenses (Reimbursement of expenses) | 68.92 | 60.14 |
| Zuari Management Services Limited | a) | Other Expenses (Reimbursement of expenses) | 789.22 | 693.24 |
| | b) | Recovery of expenses | - | 11.94 |
| Mangalore Chemicals and Fertilizers Limited | a) | Sale of Ammonia and sulphuric acid | 12,419.18 | 3,697.12 |
| | b) | Purchase of raw material | 97.36 | - |



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Name of Related Party | Sl. No. | Nature of Transactions | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|---|---|
| | c) | Other Expenses (Reimbursement of expenses) | 43.10 | 0.04 |
| | d) | Recovery of expenses | - | 4.25 |
| Lionel India Limited | a) | Other expenses (Purchase of air ticket) | 241.18 | 190.09 |
| Adventz Finance Private Limited | a) | Other Expenses (Rent) | 214.43 | 132.29 |
| | b) | Other Expenses (Recovery of reimbursement of expenses) | - | 8.97 |
| | c) | Rent advance | - | 34.20 |
| | d) | Security deposit paid | - | 18.00 |
| Zuari IAV Private Limited | a) | Other Expenses (Reimbursement of expenses) | - | 0.79 |
| Zuari Maroc Phosphates Private Limited | a) | Recovery of expenses | 9.63 | 1,354.80 |
| | b) | Purchase of Raw material-Sulphuric Acid & Ammonia | 1,039.70 | - |
| | c) | Dividend paid | 2,284.71 | - |
| PPL Employee's Provident Fund | a) | Employee benefits expense (Contribution to provident fund) | 588.32 | 568.66 |
| Mr. N Suresh Krishnan | a) | Managerial remuneration* | 450.82 | 417.61 |
| Mr. K K Rajeev Nambiar | a) | Remuneration * | 56.24 | - |
| Mr. Sabaleel Nandy | a) | Remuneration | 48.97 | 164.65 |
| Mr. Bijoy Kumar Biswal | a) | Remuneration * | 84.39 | 64.47 |
| Mr. Sachin Patil | a) | Remuneration * | 23.00 | 23.60 |
| Mr. Saroj Kumar Poddar | a) | Director Sitting Fee and commission | 10.00 | - |
| Ms. Kiran Dhingra | a) | Director Sitting Fee and commission | 12.50 | 6.45 |
| Mr. Marco P.A. Wadia | a) | Director Sitting Fee and commission | 5.00 | 4.30 |
| Mr. Satyananda Mishra | a) | Director Sitting Fee and commission | 17.20 | 5.90 |
| Mr. Dipankar Chatterjee | a) | Director Sitting Fee and commission | 16.60 | 5.35 |
| Mr. Subhrakanta Panda | a) | Director Sitting Fee and commission | 12.50 | 3.00 |
| Mrs. Rita Menon | a) | Director Sitting Fee | 3.10 | - |

* The managerial remuneration to key management personnel include expenses related to post employement plans ₹ 16.70 and share based payments ₹ 24.07.

**C. Balance outstanding**

| Particulars | Sl. No. | Nature of Transactions | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|---|
| Indo Maroc Phosphare S.A. Morocco | a) | Trade payables - Purchase of raw material | 401.04 Cr | 51,568.78 Cr |
| | b) | Claims receivable | 5,673.10 Dr | 4,862.38 Dr |
| OCP S.A., Morocco | a) | Trade Payable - Purchase of raw material | 27,102.93 Cr | 2895.21 Cr |
| | b) | Claims receivable | 17,861.23 Dr | 19,551.64 Dr |
| | c) | Trade payables - Reimbursement of expenses | - | 38.30 Dr |
| Pakistan Maroc Phosphore SA | a) | Trade payables - Purchase of raw material | 9.96 Cr | 9.82 Cr |
| Phosphates De Boucraa S.A | a) | Trade Payables - Purchase of raw material | 29,891.05 Cr | 22,308.56 Cr |
| | b) | Claims receivable | 24,098.23 Dr | 8,142.49 Dr |

Notes to the Consolidated financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars | Sl. No. | Nature of Transactions | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|---|
| Jorf Fertiliser SA | a) | Trade Payables - Purchase of raw material | 52.40 Cr | 96.22 Cr |
| | b) | Trade Payables - Purchase of traded material | 39.17 Dr | 83.19 Dr |
| | c) | Claims receivable | - | - |
| Zuari Yoma Agri Solutions Limited | a) | Investment in associate | 365.60 Dr | 365.60 Dr |
| | b) | Other receivable - Reimbursement of expenses | 56.18 Dr | 56.18 Dr |
| Zuari Agro Chemicals Limited | a) | Trade receivables - Sale of fertilisers | 4,052.23 Dr | 3,990.46 Dr |
| | b) | Other financial liabilities - payable against business acquisition | - | 1,434.89 Cr |
| | c) | Other financial assets-Interest receivables | 318.34 Dr | 55.63 Dr |
| | d) | Trade receivable - Reimbursement of expenses | 48.77 Dr | 87.86 Cr |
| | e) | Trade payables - Branding commission | 106.09 Cr | 106.09 Cr |
| | f) | Trade receivable - Rent | 8.64 Cr | 4.00 Cr |
| | g) | Trade receivables - Recovery of expenses | 32.03 Dr | 25.64 Dr |
| | h) | Capital Advance - Advance for Purchase of Land | 1,191.45 Dr | 1,100 Dr |
| Zuari Industries Limited (Erstwhile Zuari Global Limited | a) | Trade payable - Lease Rent | - | 27.79 Cr |
| Zuari FarmHub Limited | a) | Trade receivables - Sale of Fertilisers | 6,399.28 Dr | 7,535.78 Dr |
| | b) | Trade receivables - Recovery of expenses | 5.87 Dr | 18.22 Dr |
| Simon India Limited | a) | Capital advance - Purchase of fixed asset | - | 24.19 Dr |
| | b) | Advance to vendors | 1.09 Dr | - |
| | c) | Trade Payable - Reimbursement of expenses | 4.24 Cr | 0.46 Dr |
| Zuari Management Services Limited | a) | Trade Payables - Reimbursement of expenses | 33.20 Cr | 18.86 Cr |
| Zuari Infraworld India Limited | a) | Advance to vendors - Reimbursement of expenses | 1.34 Dr | 1.34 Dr |
| | b) | Trade Payable - Reimbursement of expenses | 24.26 Dr | 5.06 Cr |
| | c) | Security deposit | - | 29.32 Dr |
| Mangalore Chemicals and Fertilizers Limited | a) | Advance to vendors - Purchase of fertiliser | - | 114.99 Dr. |
| | b) | Trade Receivables - High sea sale of raw material | 0.03 Dr | 3,693.47 Dr |
| | c) | Trade payables - Other expenses | 0.12 Dr | - |
| Lionel India Limited | a) | Trade payables - Purchase of air ticket | 38.63 Cr | 0.26 Cr |
| Adventz Finance Private Limited | a) | Security deposit | 60.00 Dr | 60.00 Dr |
| | b) | Trade Payables - Rent | 5.61 Cr | - |
| | c) | Advance to vendors - rent | - | 34.20 Dr |
| Zuari Maroc Phosphates Private Limited | a) | Other payable | - | 13.54 Cr |
| | b) | Trade payables | 1,039.13 Cr | - |
| Mr. Sabaleel Nandy | a) | Remuneration | - | 12.25 Cr |
| PPL Employee's Provident Fund | a) | Contribution to provident fund | 49.96 Cr | 47.32 Cr |



Notes to the Consolidated financial statements (Contd.)

*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 34: FINANCIAL INSTRUMENTS - FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

**(a) Accounting classifications and fair values:**

| | Fair Value Hierarchy | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| Derivative financial liabilities | Level 2 | - | 1,628.93 |
| Derivative financial assets | Level 2 | 210.31 | - |

| Particulars | For the year ended 31st March 2024 | | | For the year ended 31st March 2024 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost * | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | |
| **Current financial assets** | | | | | | |
| Trade receivables | - | - | 2,72,047.93 | - | - | - |
| Cash and cash equivalents | - | - | 9,071.79 | - | - | - |
| Other bank balances | - | - | 2,730.57 | - | - | - |
| Derivative financial asset | 210.31 | - | - | - | 210.31 | - |
| Claims receivable | - | - | 48,424.38 | - | - | - |
| Interest receivable on deposits, receivables etc | - | - | 380.02 | - | - | - |
| Receivables from Gas pool operator | | | 1,348.16 | | | |
| Other receivables from related parties | - | - | 56.18 | - | - | - |
| **Total financial assets** | **210.31** | **-** | **3,34,059.03** | **-** | **210.31** | **-** |
| **Financial liabilities** | | | | | | |
| **Non-current financial liabilities** | | | | | | |
| Borrowings | - | - | 67,650.58 | - | - | - |
| Lease liabilities | | | 1,722.29 | | | |
| **Current financial liabilities** | | | | | | |
| Borrowings | - | - | 3,31,786.96 | - | - | - |
| Lease liabilities | - | | 210.89 | | | |
| Trade and other payables | - | - | 1,57,933.07 | - | - | - |
| Security deposits | - | - | 13,334.09 | - | - | - |
| **Total financial liabilities** | **-** | **-** | **5,72,637.88** | **-** | **-** | **-** |

| Particulars | As at 31st March 2023 | | | As at 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost * | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | |
| **Current financial assets** | | | | | | |
| Trade receivables | - | - | 3,68,973.75 | - | - | - |
| Cash and cash equivalents | - | - | 4,303.42 | - | - | - |
| Other bank balances | - | - | 6,681.98 | - | - | - |
| Other current financial assets | | | | | | |
| Claims receivable | - | - | 32,587.91 | - | - | - |
| Interest receivable on deposits, receivables etc | - | - | 126.68 | - | - | - |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars | As at 31st March 2023 | | | As at 31st March 2023 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost * | Level 1 | Level 2 | Level 3 |
| Receivables from Gas pool operator | | | 961.03 | | | |
| Other receivables from related parties | - | - | 42.65 | - | - | - |
| **Total financial assets** | **-** | **-** | **4,13,677.42** | **-** | **-** | **-** |
| **Financial liabilities** | | | | | | |
| **Non-current financial liabilities** | | | | | | |
| Borrowings | - | - | 61,188.79 | - | - | - |
| Lease liabilities | | | 1,603.78 | | | |
| Other non-current financial liabilities | - | - | 180.42 | - | - | - |
| **Current financial liabilities** | | | | | | |
| Borrowings | - | - | 4,01,921.53 | - | - | - |
| Lease liabilities | | | 77.32 | | | |
| Trade and other payables | - | - | 2,00,817.27 | - | - | - |
| Derivatives financial liabilities | 1,628.93 | - | - | - | 1,628.93 | - |
| Security deposits | - | - | 12,804.58 | - | - | - |
| **Total financial liabilities** | **1,628.93** | **-** | **6,78,593.69** | **-** | **1,628.93** | **-** |

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value.

The fair value of investments in mutual funds is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published NAV statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuer will redeem such units from the investors.

The fair value of derivatives is determined using quoted forward exchange rates at the reporting date.

There has been no transfer between level 1, level 2 and level 3 during the year.

**(b) Class of the carrying amounts and fair value of the Company's financial instruments:**

| Particulars | Carrying value | | Fair value | |
|---|---|---|---|---|
| | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2024 | As at 31st March 2023 |
| **Financial assets** | | | | |
| Investments | - | - | - | - |
| **Others:** | | | | |
| Derivative financial assets | 210.31 | - | 210.31 | - |
| **Total financial assets** | **210.31** | **-** | **210.31** | **-** |
| **Financial liabilities** | | | | |
| **Borrowings** | | | | |
| Long term borrowings (Floating rate) | 67,650.58 | 61,188.79 | 67,650.58 | 61,188.79 |
| Lease liabilities | 1,722.29 | 1,603.78 | 1,722.29 | 1,603.78 |
| **Others:** | | | | |
| Derivative financial liabilities | - | 1,628.93 | - | 1,628.93 |
| Employee related dues | - | 180.42 | - | 180.42 |
| **Total financial liabilities** | **69,372.87** | **64,601.92** | **69,372.87** | **64,601.92** |



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

The management assessed that cash and cash equivalents, other bank balance, trade receivables, other current financial assets (except derivative financial assets), trade payables, short term borrowings and other current financial liabilities (except derivative financial liabilities) approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## NOTE 35: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative contracts. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**A Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Financial assets**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

**Trade receivables**

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigates the credit risk to some extent.

| Reconciliation of loss allowance on: | Trade receivables amount | Other financial assets amount |
|---|---|---|
| Balance as at 1st April 2022 | 4,515.03 | 209.79 |
| Movement during the year | 1,235.84 | - |
| Balance as at 31st March 2023 | 5,750.87 | 209.79 |
| Movement during the year | 618.26 | - |
| **Balance as at 31st March 2024** | **6,369.13** | **209.79** |

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

**B Liquidity risk**

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31st March 2024:

| Particulars | Carrying amount | Less than 1 year | 1-5 Years | > 5 years |
|---|---|---|---|---|
| Trade payables | 1,48,811.73 | 1,48,811.73 | - | - |
| Borrowings (including current maturities of non-current borrowings) | 3,99,437.54 | 3,31,786.96 | 67,650.58 | - |
| Other financial liabilities | 22,455.43 | 22,455.43 | - | - |
| Lease liabilities | 1,933.18 | 304.47 | 1,167.39 | 1,826.60 |
| **Total** | **5,72,637.88** | **5,03,358.59** | **68,817.97** | **1,826.60** |

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31st March 2023:

| Particulars | Carrying amount | Less than 1 year | 1-5 Years | > 5 years |
|---|---|---|---|---|
| Trade payables | 1,91,247.67 | 1,91,247.67 | - | - |
| Borrowings (including current maturities of non-current borrowings) | 4,63,110.32 | 4,01,921.53 | 61,188.79 | - |
| Other financial liabilities | 24,183.53 | 24,003.11 | 180.42 | - |
| Lease liabilities | 1,681.10 | 199.60 | 1,054.18 | 1,838.07 |
| **Total** | **6,80,222.62** | **6,17,371.91** | **62,423.39** | **1,838.07** |

**C Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in other market variables. Refer sensitivity analyses below.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2024 and 31st March 2023.

**(a) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

**Sensitivity analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with ₹, with all other variables held constant. The impact on the Company's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. Refer Note 37 for details on foreign currency exposure.

| Particulars | Profit and loss | |
|---|---|---|
| | As at 31st March 2024 | As at 31st March 2023 |
| ₹/USD strengthening [5% movement] | 959.95 | (81.11) |
| ₹/USD weakening [5% movement] | (959.95) | 81.11 |
| ₹/EURO strengthening [5% movement] | (474.64) | (161.37) |
| ₹/EURO weakening [5% movement] | 474.64 | 161.37 |

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages fund requirements and performs sensitivity analysis to keep interest rate risk within limits.

**Sensitivity analysis**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

| Particulars | Profit and loss | |
|---|---|---|
| | As at 31st March 2024 | As at 31st March 2023 |
| **Borrowings** | | |
| Variable rate instruments - increase by 50 basis points | (1,239.34) | (1,021.33) |
| Variable rate instruments - decrease by 50 basis points | 1,239.34 | 1,021.33 |
| **Foreign Currency Borrowings-USD** | | |
| Variable rate instruments - increase by 50 basis points | (758.50) | (1,294.22) |
| Variable rate instruments - decrease by 50 basis points | 758.50 | 1,294.22 |

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

**(c) Commodity price risk**

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and muriatic potash. All being international commodities is subject to price fluctuation on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertiliser industry based on the market trend.

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 36: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital keeping in view the adequate interest and debt service coverage ratio.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

## NOTE 37: UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) (a) Forward contract outstanding as at 31st March 2024, against import of goods is ₹ 198,038.68 (31st March 2023: ₹ 334,293.05).

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

| | As at 31 March 2024 | | | As at 31 March 2023 | | |
|---|---|---|---|---|---|---|
| | (USD in Million) | (EURO in Million) | (₹ In Lakhs) | (USD in Million) | (EURO in Million) | (₹ In Lakhs) |
| **Liabilities:** | | | | | | |
| Trade Payable and Creditors for Property Plant and Equipment (including acceptance) | 36.44 | 3.17 | 33,246.73 | 37.99 | - | 31,218.23 |
| Short term borrowings- Buyers and Suppliers Credit | - | 7.26 | 6,524.25 | 5.96 | - | 4,897.81 |
| Other Interest accrued but not due on borrowings | 1.34 | 0.13 | 1,236.00 | 2.39 | 0.02 | 1,982.34 |
| **Assets:** | | | | | | |
| Claims receivable | 60.80 | - | 50,713.20 | 40.46 | - | 33,248.76 |

## NOTE 38: RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES.

| | For the year ended 31st March 2024 | For the year ended 31st March 2023 |
|---|---|---|
| Balance at the beginning of the year | | |
| - Non-current borrowings | 61,188.79 | 52,817.08 |
| - Current borrowings | 4,01,921.53 | 2,42,612.49 |
| Cash flows | | |
| - Proceeds/(Repayment) of non-current borrowings | 8,797.71 | 25,704.06 |
| - Proceeds/(Repayment) of current borrowings | (74,002.84) | 1,28,580.21 |
| Non-cash changes - represents foreign exchange fluctuation and unwinding of interest | 1,532.35 | 13,396.48 |
| Balance at the end of the year | | |
| - Non-current borrowings | 67,650.58 | 61,188.79 |
| - Current borrowings | 3,31,786.96 | 4,01,921.53 |



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE39:ADDITIONALINFORMATIONPURSUANTTOPARAGRAPH2OFDIVISIONIIOFSCHEDULEIIITOTHECOMPANIES ACT2013-'GENERALINSTRUCTIONSFORTHEPREPARATIONOFCONSOLIDATEDFINANCIALSTATEMENTS'OFDIVISION II OF SCHEDULE III

**As at and for the period 31st March 2024**

| Name of the Company | Net assets i.e. total assets minus total liabilities | | Share in Profit or Loss | | Share in Other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated Net Assets | Amount | As % of consolidated Profit or Loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **Company** | | | | | | | | |
| Paradeep Phosphates Limited | 100.01% | 3,56,480.99 | 99.33% | 9,924.22 | 77.15% | (193.61) | 99.90% | 9,730.61 |
| **Associate** | | | | | | | | |
| Zuari Yoma Agri Solutions Limited | 0.09% | 324.63 | 0.67% | 66.70 | 41.59% | (104.39) | (0.38%) | (37.69) |
| Adjustments arising out of consolidation | (0.10%) | (365.61) | 0.00% | - | (18.74%) | 47.03 | 0.48% | 47.03 |
| **Total** | **100%** | **3,56,440.01** | **100%** | **9,990.92** | **100%** | **(250.97)** | **100%** | **9,739.95** |

The share in profit, other comprehensive loss and total comprehensive income is attributable to owners of the Company as there is no non-controlling interest.

**As at and for the period 31st March 2023**

| Name of the Company | Net assets i.e. total assets minus total liabilities | | Share in Profit or Loss | | Share in Other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated Net Assets | Amount | As % of consolidated Profit or Loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **Company** | | | | | | | | |
| Paradeep Phosphates Limited | 100.01% | 3,50,520.55 | 99.83% | 30,368.74 | 155.49% | 69.10 | 99.92% | 30,437.84 |
| **Associate** | | | | | | | | |
| Zuari Yoma Agri Solutions Limited | 0.09% | 315.29 | 0.17% | 50.52 | (119.89%) | (53.28) | (0.01%) | (2.76) |
| Adjustments arising out of consolidation | (0.10%) | (365.61) | 0.00% | - | 64.39% | 28.62 | 0.09% | 28.62 |
| **Total** | **100%** | **3,50,470.23** | **100%** | **30,419.26** | **100%** | **44.44** | **3046370%** | **30,463.70** |

## NOTE 40

a) The Company, in an earlier year, had received an Arbitration Award in its favour in the matter of Cargo Charges Tariff dispute with Paradeep Port Trust (PPT) for the years 1993–1999. PPT in earlier year had appealed with the higher authorities against such award which was confirmed by the Appellate Authority. However, as against the above order, the PPT went into further appeal with the Hon'ble High Court of Odisha and the High Court in its interim order directed

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

the Company not to execute award at this stage. The Company has not recognised this award as income in the Statement of Profit and Loss.

b) Paradeep Port Trust (PPT) proposed a revision in scale of rates applicable to the Company for cargo handling in the captive berth w.e.f. 1st April 1999. The matter was referred to Tariff Authority of Major Ports (TAMP) on mutual consent of the parties under the direction of Hon'ble High Court of Odisha. During the previous year, TAMP had finalised the rates, but PPT had not agreed with the order and proceeded with a writ petition before the Hon'ble High Court of Odisha against the said order. Pending disposal of the case, the Company has not recognised the amount receivable from PPT towards the excess amount paid over the applicable TAMP order.

## NOTE 41 :

During the year, a sum of ₹ 162.01 (31st March 2023: ₹ 119.14) including capital expenditure of ₹ 45.22 (31st March 2023: ₹ 0.95) was spent on research and development (excluding depreciation charge).

## NOTE 42(A) : EMPLOYEE SHARE BASED PAYMENT

Pursuant to the resolutions passed by the Board and by the Shareholders on 10th August 2021, the Company approved 'PPL Employees Stock Option Plan 2021 ("ESOP 2021")' is in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

The details of ESOPs are as under:

| Vesting conditions | Exercise period | Date of Grant | Numbers of options granted | Exercise price per share |
|---|---|---|---|---|
| On continued employment with the Company | 3 years from date of each vesting | 29th April 2022 | 24,00,058 | ₹ 42 |
| On continued employment with the Company | 3 years from date of each vesting | 20th June 2023 | 8,14,435 | ₹ 51 |
| On continued employment with the Company | 3 years from date of each vesting | 5th February 2024 | 4,38,319 | ₹ 51 to ₹ 64 |

**Vesting schedule :**

Vesting schedule of the said options granted on 29th April 2022 , 20th June 2023 and 5th February 2024 was as follows:

- After 12 Months from the date of grant : 30 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 36 Months from the date of grant : 35 % of the options granted

The Exercise period shall not be more than 3 (Three) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

**The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:**

| Particulars | | | | | | |
|---|---|---|---|---|---|---|
| Grant date | 29th April 2022 | 20th June 2023 | 5th February 2024 | 5th February 2024 | 5th February 2024 | 5th February 2024 |
| Fair value at grant date(₹) | 16.36 | 31.03 | 46.43 | 43.49 | 42.52 | 40.28 |
| Share price at grant date(₹) | 41 | 63.20 | 80.90 | 80.90 | 80.90 | 80.90 |
| Exercise price(₹) | 42 | 51 | 51 | 56 | 59 | 64 |
| Expected Life (expected weighted average life) | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 | 3.55 |



Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

| Particulars | | | | | | |
|---|---|---|---|---|---|---|
| Grant date | 29th April 2022 | 20th June 2023 | 5th February 2024 | 5th February 2024 | 5th February 2024 | 5th February 2024 |
| Expected volatility | 45% | 45% | 45% | 45% | 45% | 45% |
| Risk free interest rate (based on zero-yield curve for Government Securities) | 6.48% | 7.19% | 7.19% | 7.19% | 7.19% | 7.19% |

**Reconciliation of outstanding share options:**

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Number of Options Outstanding at the beginning of the year | 2,019,004 | - |
| Number of Options granted during the year | 1,252,754 | 2,400,058 |
| Number of Options forfeited/lapsed during the year | 129,368 | 381,054 |
| Number of Options exercised during the year | 281,027 | - |
| Number of Options outstanding at the end of the year | 2,861,363 | 2,019,004 |
| Number of Options exercisable at the end of the year | 299,531 | - |

**Expense arising from share based payment transactions:**

| Particulars | Year ended 31st March 2024 | Year ended 31st March 2023 |
|---|---|---|
| Expenses on Employees Stock Options Scheme | 185.55 | 197.83 |

## NOTE 42(B) : THE UTILISATION OF IPO PROCEEDS OUT OF FRESH ISSUE IS SUMMARISED BELOW:

During financial year 2022-23 the Company completed its Initial Public Offer (IPO) of 357,555,112 equity shares of face value of ₹ 10/- each for cash at an issue price of ₹ 42/- per equity share aggregating to ₹ 150,173.15, consisting of fresh issue of 239,047,619 equity shares aggregating to ₹ 100,400.00 and an offer for sale of 118,507,493 equity shares aggregating to ₹ 49,773.15 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 27th May 2022.

**The utilisation of IPO proceeds out of fresh issue is summarised below:**

| Particulars | Object of the issue as per prospectus | Utilisation upto 31st March 2024 | Unutilised amount as at 31st March 2023 |
|---|---|---|---|
| Part-financing the acquisition of the Goa Facility | 52,000 | 52,000 | - |
| Repayment/prepayment of certain of our borrowings | 30,000 | 33,450 | - |
| General corporate purposes | 14,315 | 10,865 | - |

## NOTE 43

a) The Company, has not entered into any transactions with struck off companies, during the year ended 31st March 2024 (previous year ended 31st March 2023).

b) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Consolidated financial statements (Contd.)
*(All amounts are in rupees lakhs, unless otherwise stated)*

## NOTE 44(A) : BUSINESS COMBINATION

(a) During the year 2022-23 Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited ("ZACL") on a slump sale going concern basis pursuant to the business transfer agreement entered into by the Company with ZACL. The acquisition was completed and effective from 1st June 2022 for a consideration of ₹ 168,797.46 which was paid to ZACL pursuant to the business transfer agreement. The Goa plant and allied business acquired by the Company is in the business of manufacture and sale of urea and complex fertilisers.

**(b) Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:-**

| Particulars | As at 1st June 2022 |
|---|---|
| **ASSETS** | |
| **I. Non-current assets** | |
| (a) Property, plant and equipment | 1,47,378.30 |
| (b) Right-of-use assets | 1,082.90 |
| (c) Capital work-in-progress | 12,992.80 |
| (d) Intangible assets | 76.13 |
| (e) Financial Assets | |
| (i) Loans | 19.30 |
| (ii) Others | 233.20 |
| **Total non-current assets** | **1,61,782.63** |
| **II. Current assets** | |
| (a) Inventories | 9,194.20 |
| (b) Financial assets | |
| (i) Loans | 3.50 |
| (ii) Trade receivables | 37,010.20 |
| (iii) Other financial assets | 170.93 |
| (c) Other current assets | 15,198.20 |
| **Total current assets** | **61,577.03** |
| **Total assets A (I+II)** | **2,23,359.66** |
| **Liabilities** | |
| **(1) Non-current liabilities** | |
| (a) Financial liabilities | |
| (i) Borrowings | 10.10 |
| (ii) Lease Liabilities | 1,780.78 |
| **Total non-current liabilities** | **1,790.88** |
| **(II) Current liabilities** | |
| (a) Financial liabilities | |
| (i) Trade payables | 41,047.16 |
| (ii) Other financial liabilities | 14,070.90 |
| (b) Other current liabilities | 2,365.26 |
| (c) Provisions | 1,792.90 |
| **Total current liabilities** | **59,276.22** |
| **Total liabilities B (I+II)** | **61,067.10** |
| **Total fair value of net assets acquired C (A-B)** | **1,62,292.56** |
| **Closing Consideration D** | **1,68,797.46** |
| **Deferred tax asset relating to origination and differences of Goa unit on Slump sale E** | **697.96** |
| **Goodwill (D-C-E)** | **5,806.94** |





## NOTE 44(A): BUSINESS COMBINATION (CONTINUED)

(c) Acquisition related costs amounting to ₹ 4.68 on legal fees, valuation fees, ₹ 3,069.91 as stamp duty have been recognised as legal and professional expense and rates and taxes respectively in the Standalone Statement of Profit and Loss within Other expenses.

(d) From the date of acquisition, the acquired business contributed ₹ 4,28,259.23 to total income and a profit of ₹ 3,453.74 to the standalone profit before tax. Had the business combination been effected at 1st April 2022, the total income of the Company would have been higher by ₹ 28,622.00 and profit before tax would have been lower by ₹ 1,522.00 .

(e) The goodwill recognised is attributable to expected synergies from combining operations of the Company and acquired business and would not be deductible for tax purposes.

(f) In relation to property, plant and equipment acquired through business combination fair valuation was determined based on the valuation model which considered market prices for similar items and depreciated replacement cost, as appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(g) Contingent liabilities was recognised on acquisition, the details of which are as under:-

| Particulars | Amount |
|---|---|
| Customs duty demand | 530.14 |
| Goods and services tax demand | 4,016.08 |
| Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas | 4,291.34 |
| Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips | 140.52 |

As at 31st March 2023, there has been no change in the amount recognised as contingent liabilities on 1st June 2022, as there has been no change in the probability of the outcome of the cases as noted above.

## NOTE 44(B): IMPAIRMENT OF GOODWILL

The Company has allocated the goodwill on business combination to Goa plant. The carrying amount of goodwill as at the end of the reporting period is ₹ 5,806.94 Lakhs.

The recoverable amount has been calculated based on its value in use, estimated as the present value of projected future cash flows. Following key assumptions were considered while performing impairment testing annually:

| Key Assumptions | As at 31st March 2024 |
|---|---|
| Annual growth rate for next 5 years | 3% to 7% |
| Terminal growth rate | 5% |
| Weighted average cost of capital after tax % | 12.98% |

The projections cover a period of five years, as the Company believes this to be the most appropriate time period over which to review

and consider annual performances and thereafter fixed terminal value has been considered.

Weighted Average Cost of Capital % (WACC) = Risk free return + ( Market risk premium x Beta for the Company)

The goodwill is tested for impairment annually and based on such testing, no provision towards impairment has been considered necessary in each of the year presented.

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value.

## NOTE 45

Pursuant to the scheme of merger dated 7th February 2024, the Board considered and approved a composite scheme of arrangement amongst Mangalore Chemicals & Fertilisers Limited ("Transferor Company"), the Company and their respective creditors and shareholders ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013 ("Companies Act") and other applicable laws, for, inter alia, the amalgamation of the Transferor Company with and into the Company by way of a merger. Necessary accounting effect of the scheme would be given in due course upon receipt of the requisite approvals.

## NOTE 46

The Consolidated Financial Statements were approved for issue by the board of directors on 15th May 2024.

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration Number: 101248W/W-100022

**Jayanta Mukhopadhyay**
Partner
Membership No: 055757
Place: Bengaluru
Date: 15th May 2024

For and on behalf of the Board of Directors of
**Paradeep Phosphates Limited**
CIN: L24129OR1981PLC001020

**N. Suresh Krishnan**
Managing Director
DIN: 00021965
Place: Bengaluru
Date: 15th May 2024

**S.K. Poddar**
Chairman
DIN: 00008654
Place: Bengaluru
Date: 15th May 2024

**Sachin Patil**
Company Secretary
Place: Bengaluru
Date: 15th May 2024

**Bijoy Kumar Biswal**
Chief Financial Officer
Place: Bengaluru
Date: 15th May 2024



# NOTICE

To

**The Members,**

NOTICE is hereby given that the Forty Second (42nd) Annual General Meeting of the Members of Paradeep Phosphates Limited ("the Company") will be held on **Wednesday, 25th September 2024, at 4:00 PM (IST)**, through Video Conference ("VC")/Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

**Ordinary Business:**

1. To receive, 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 the Auditors thereon.
2. To declare final dividend on the equity shares for the financial year 2023-24.
3. To re-appoint Mr. Soual Mohamed (DIN: 08684762), who retires by rotation and being eligible, offers himself for re-appointment.

**Special Business:**

**4. Ratification of Remuneration to Cost Auditor**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. S. S. Sonthalia & Co., Cost Accountant in practice, appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2024-25, being ₹ 300,000/- (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses incurred by him in connection with the aforesaid audit, be and is hereby ratified and confirmed."

**5. Approval of Material Related Party Transaction(s) with related parties**

To consider and if thought fit, to pass the following Resolution, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the Members of the Company do hereby accord approval to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any duly authorised Committee constituted/ empowered by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and/or carrying out and/or continuing with existing contracts/arrangements/transactions (whether individual transaction or transaction(s) taken together or series of transaction(s) and otherwise), with OCP SA., Indo Maroc Phosphore S.A., Phosphates De Boucraa S.A being a related parties of the Company, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier/arrangements/transactions or as fresh and independent transaction(s) or otherwise during the financial year 2024-2025, as per the details set out in the explanatory statement annexed to this notice, provided however, that, the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, file requisite forms with the regulatory authorities and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorised person(s) to give effect to this resolution."

**By Order of the Board of Directors**

**Sachin Patil**
**Company Secretary**
**A31286**

Date: 15th May 2024
Registered Office: 5th Floor, OSHWC Building,
Pandit J N Marg, Bhubaneswar – 751 001

**NOTES:**

1. The related Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of Item Nos. 4 & 5 is annexed hereto. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the Director seeking re-appointment at the AGM, are provided as **Annexure - A** to the notice

2. The Ministry of Corporate Affairs, Government of India vide General Circular no. 09/2023 dated 25th September 2023, read with General Circular no. 10/2022 dated 28th December 2022, General Circular no. 2/2022 dated 5th May 2022, General Circular no. 02/2021 dated 13th January 2021, General Circular no. 20/2020 dated 5th May 2020, General Circular no. 17/2020 dated 13th April 2020 and General Circular no. 14/2020 dated 8th April 2020 (hereinafter collectively referred to as "MCA Circulars") has allowed the companies whose annual general meeting is due in the year 2023 or 2024 to conduct annual general meeting through video conferencing ("VC") or other audio visual means ("OAVM") till 30th September 2024. In pursuance of the applicable provisions of the Act read with MCA Circulars, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circular no. SEBI/HO/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023 read with Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July 2023, on compliance with the provisions of Listing Regulations issued by the Securities and Exchange Board of India (hereinafter collectively referred to as "SEBI Circulars"), the Forty Second (42nd) Annual General Meeting of the Company ("AGM") is being convened and conducted through VC/OAVM, which does not require physical presence of members at a common venue. The venue of AGM shall be deemed to be the Registered Office of the Company at 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J N Marg, Bhubaneswar – 751 001.

3. In pursuance of the MCA Circulars and SEBI Circulars, the Notice of the 42nd Annual General Meeting along with the Annual Report for the financial year 2023-24 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice calling the AGM and Annual Report for the financial year 2023-24 has been uploaded on the website of the Company at www.paradeepphosphates.com. The Notice and Annual Report for the financial year 2023-24 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at www.evotingindia.com.

4. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Members holding equity shares of the Company as on **Wednesday, 18th September 2024** ('Cut-off date') can join the meeting anytime 30 minutes before commencement of the AGM by following the procedure outlined in **Annexure – 1** of the Notice.

5. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. Since this AGM is being held through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars, (a) Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip and Route Map are not annexed in this Notice.

7. Corporate shareholders/institutional shareholders intending to send their authorised representative(s) to attend and vote at the 42nd AGM are requested to send from their registered e-mail address, scan copy of the relevant Board Resolution/Authority Letter, etc. authorising their representative(s) to vote, to the Scrutiniser on his e-mail ID at cs.sbhat@gmail.com with a copy marked to cs.ppl@adventz.com

8. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members can avail facility for nomination in respect of the shares held by them. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN, KYC, Nomination and updated Bank detail to their Depository Participants with whom they are maintaining their Demat accounts.

10. Members who have neither received nor encashed their dividend warrant(s) in respect of the previous year, are requested to make a request letter to the Company/RTA, mentioning the relevant DP ID and Client ID, to the Company on e-mail Id. cs.ppl@advantz.com or to the Company's RTA on e-mail Id. rnt.helpdesk@linkintime.co.in or by post to RTA's address at C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083, Maharashtra, India.

11. As and when the amount is due, it will be transferred by the Company to Investor Education and Protection Fund. No claim thereof shall lie against the Company after such transfer.

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

| Dividend year | Date of declaration of dividend | Last date for claiming unpaid dividend |
|---|---|---|
| 31st March 2023 | 26th September 2023 | 29th October 2030 |

12. **Record Date**:

    Members may kindly note that **Wednesday, 18th September 2024** has been fixed as the "Record Date" to determine entitlement of members to the final dividend for the financial year 2023-24.

13. **Dividend**:

    i. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of members w.e.f. 1st April 2020. Accordingly, the final dividend, as recommended by the Board of Directors, and if approved at 42nd AGM, shall be paid after deducting tax at source ('TDS') at the prescribed rates in accordance with the provisions of the Income Tax Act, 1961, within 30 days from the date of declaration to the beneficial owners in respect of equity shares held by them in dematerialised form whose name appear in the list of beneficial owners furnished by NSDL and Central Depository Services (India) Limited ('CDSL'), as on close of business hours on **Wednesday, 18th September 2024**.

    ii. please refer **Annexure- 2** to this Notice for detailed information in respect of deduction of tax at source (TDS) on the Dividend for the financial year 2023-24.

    iii. In case of members whose bank details are not updated in the records of the Company's Registrar and Share Transfer Agent/Depositories before close of business hours **Wednesday, 18th September 2024** or in case the Company is unable to pay the dividend to any member directly in his/her bank account via electronic clearing service, the Company shall dispatch draft to such member(s) by post.

14. The statutory registers maintained under Section 170 and Section 189 of the Act shall be made available electronically for inspection by the Members on the website of the Company at https://www.paradeepphosphates.com/investors/corporate-governance#agmegmpostal-ballot during the AGM.

15. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs.ppl@adventz.com. The Company reserves the right to restrict the number of questions and/or number of speakers, depending upon availability of time, for smooth conduct of the AGM.

16. **E-voting**:

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

- Detailed instructions for remote e-voting/ e-voting and also for attending the AGM are annexed as **Annexure – 1.**
- Mr. Shivaram Bhat, Practicing Company Secretary (Membership No. ACS 10454) has been appointed by the Board of Directors of the Company as the Scrutiniser for scrutinising the remote e-voting process as well as voting during the meeting, in a fair and transparent manner.
- Voting rights of members shall be reckoned on the paid-up value of equity shares registered in their name as on the 'Cut-off date' i.e. **Wednesday, 18th September 2024**.
- **The remote e-voting period begins on Saturday 21st September 2024 at 10.00 A.M. (IST) and ends on Tuesday 24th September 2024 at 5.00 P.M. (IST).**
- Members whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the 'Cut-off date', shall be entitled to avail the facility of remote e-voting or e-voting at the AGM, as the case may be.
- Any person who becomes a Member of the Company after dispatch of the Notice of 42nd AGM and holds equity shares as on the 'Cut-off date' may also follow the procedure as outlined in **Annexure - 1** to this Notice. Any person who is not a member as on the 'Cut-off date' should treat this Notice for information purpose only.
- Members can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the 42nd AGM. If a Member cast votes by both modes, then voting done through remote e-voting shall prevail. Once the vote on a resolution is cast, the Member shall not be allowed to change the same subsequently or cast the vote again.

**17. Declaration of results of voting**

- The Scrutiniser shall immediately after conclusion of the Annual General Meeting, shall count votes casted on the day of the meeting, thereafter unblock the votes cast through remote e-voting.
- The Scrutiniser will submit, within 48 hours of conclusion of the AGM, a consolidated scrutiniser's report, of the total votes cast in favour or against, if any, to the Chairman of AGM or any other Director or Company Secretary authorised by the Chairman of the AGM in writing who will countersign the same and declare the result of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office. The result will also be displayed on the website of the Company at www.paradeepphosphates.com, besides being communicated to Stock Exchanges.

# EXPLANATORY STATEMENT

**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 4: Ratification of Remuneration to Cost Auditor**

The Board, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. S. S. Sonthalia & Co., Cost Accountant in practice as the Cost Auditor to conduct the audit of the Cost Accounts of the Company for the financial year 2024-25 at a remuneration of ₹ 300,000(Rupees three Lakhs only) plus applicable taxes and out of pocket expenses incurred by him in connection with the aforesaid audit.

In terms of provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial Year 2024-25.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP are concerned or interested in this resolution.

**Item No. 5: Approval of Material Related Party Transaction(s) with related parties**

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective 1st April 2022, mandates prior approval of Members by means of a resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned Company and at an arm's length basis.

A transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceed(s) ₹ 1,000 Crores, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

In the financial year 2024-25, the related party transactions as mentioned below, in the aggregate, are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought by passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

The Audit Committee of the Company has approved the said related party transactions and has noted that although the proposed related party transactions are in the ordinary course of business of the Company and shall be entered into at an arm's length basis, they may, in aggregate, cross the applicable materiality thresholds as mentioned above.

The approval of the shareholders pursuant to Resolution No. 5 is being sought for the following related party transactions/contracts/agreements/arrangements set out in Table below. The Company expects that the value of related party transactions with each related party (for which the approval is being sough) will not exceed the materiality threshold for the period commencing from 1st April ,2024, till the approval of shareholders is obtained.

Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22nd November 2021 are provided herewith:

| | | |
|---|---|---|
| 1 | Name of the Related Party | OCP S.A., Indo Maroc Phosphare S. A. and Phosphates De Boucraa S.A |
| 2 | Nature of relationship | Promoter & promoter group of the Companies |
| 3. | Names of the directors or Key Managerial Personnel who is related, if any. | Mr. Karim Senhadji - CFO of OCP Group and Mr. Soual Mohamed |
| 4. | Type, Nature, particulars, material terms of contract | • Purchase or supply of raw materials/traded goods and allied activities<br>• Availing and rendering of services<br>• Transfer of resources<br>• Cost recharge/rebate/demurrage to and from related parties<br>• Interest/claims- receivable/payables |
| 5. | Tenure/Duration/Approval Period | For Financial Year 2024-25 |

| | | |
|---|---|---|
| 6 | Value/Amount of transaction for which ratification is sought | Transactions amounting to ₹ 6,500 Crores in a Financial Year with following related parties<br><br>Name of Related party — Amount of Transactions in a year *<br>Indo Maroc Phosphates S.A. — 2,000<br>OCP S.A. — 2,500<br>Phosphates De Boucraa S.A — 2,000<br><br>*Board of Directors may interchange the limit between each of the related parties mentioned above within the overall limit of ₹ 6,500 Crores. |
| 7. | The manner of determining the pricing and other commercial terms | The related party transactions are ordinary course of business and at arm's length basis. |
| 8. | The percentage of the listed entity's consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction | Indo Maroc Phosphates S.A. — 17%<br>OCP S.A. — 22%<br>Phosphates De Boucraa S.A — 17% |
| 9. | Justification as to why the RPT is in the interest of the listed entity | • We depend on OCP, Indo Maroc Phosphore S.A. Morocco and Phosphates De Boucraa S.A. for the procurement of our most important raw material by value, Phosphate Rock and Phosphoric acid and other traded material/ goods.<br>• In order to ensure a stable supply of our most important raw material by value, the Company has entered into a long term Phosphate Rock supply contract with OCP our promoter and globally leading producer of such raw material and which operates largely in the Morocco which has approximately 70% of the global Phosphate Rock reserves according to CRISIL Research, provides us the ability to source cost-effective and increasing amounts of Phosphate Rock as our operations grow.<br>• Arrangement is commercially beneficial.<br>• Competitive pricing and at arm's length with assurance of quality and also provides flexibility to our sourcing plants during the volatility of supply. |
| 10. | A copy of the valuation or other external party report, if any such report has been relied upon | As the transactions are in the ordinary course of business at arm's length, the transactions do not contemplate any valuation. |
| 11. | Any other information that may be relevant | All relevant information forms part of this explanatory statement. |

The Members may please note that in terms of provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not) shall not vote to approve the ordinary resolution at Item No. 5 of the Notice.

Except as mentioned above, none of the other Directors, Key Managerial Personnel or their respective relatives, are in any way concerned or interested in the said resolution.

**By Order of the Board of Directors**

Date: 15th May 2024
Registered Office: 5th Floor, OSHWC Building,
Pandit J N Marg, Bhubaneswar – 751 001

**Sachin Patil**
**Company Secretary**
**A31286**





## Annexure-A

**Details of the Director seeking re-appointment at the forthcoming Annual General Meeting.**

| | |
|---|---|
| Name of the Director | Mr. Soual Mohamed |
| Date of Birth | 5th February 1956 |
| Age | 68 |
| Inter-se relationship with Directors of the Company | None |
| Date of First Appointment | 3rd February 2020 |
| Qualification | Engineering degree in the electronics stream from the National School of Civil Aviation, Toulouse, France |
| Functional Expertise & Experience including brief resume. | Mr. Soual Mohamed holds an engineering degree in the electronics stream from the National School of Civil Aviation, Toulouse, France. He has also completed a certificate programme in accelerated general management from HEC Paris, France. He currently holds a full-time position as the Adviser to the CEO and Chief Economist of OCP, Morocco. Expertise in General Management. Strategic analysis and having a vast industry experience. |
| Terms and Conditions of re-appointment | Re-appointment on retirement by rotation |
| Directorship held in other companies (excluding foreign companies & Section 8 companies) as on 31st March 2024. | Zuari Maroc Phosphates Private Limited |
| Listed entities from which the person has resigned in the past 3 years | None |
| Membership/Chairmanship of Committees of public Companies (includes only Audit Committee & Stakeholders Relationship Committee) as on 31st March 2024. | None |
| Shareholding in the Company, including shareholding as a beneficial owner. | Nil |
| Remuneration proposed to be paid | Does not draw any remuneration from the Company in his role as Non-Executive Director,except the payment of commission as approved by the member at the AGM dated 12th September 2022. |
| Number of meetings of the Board attendedduring the financial year 2023-24. | 6 |

For other details such as number of meetings of Board of Directors attended during the year and remuneration last drawn i.e., as on 31st March 2024, please refer to the Corporate Governance Report (Annexure A) to the Director's report.

## Annexure -1

**INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

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

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

(i) The voting period begins on **Saturday 21st September 2024 at 10.00 A.M. (IST) and ends on Tuesday 24th September 2024 at 5.00 P.M. (IST).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. **Wednesday 18th September 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL Depository** | 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 www.cdslindia.com and click on login icon & New System Myeasi Tab.<br>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & 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.<br>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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. |
| Individual Shareholders holding securities in demat mode with **NSDL Depository** | 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: https://eservices.nsdl.com 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 & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)** | 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 **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000 |

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

(i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

  a. For CDSL: 16 digits beneficiary ID,

  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|---|---|
| PAN | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.<br>• If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field. |

(ii) After entering these details appropriately, click on "SUBMIT" tab.

(iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(v) Click on the EVSN for the Company on which you choose to vote.

(vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xi) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xii) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutiniser for verification.

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





- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser at the email address cs.sbhat@gmail.com and to the Company at the email address cs.ppl@adventz.com (designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/ EGM.
4. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs.ppl@adventz.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs.ppl@adventz.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders - Please update your email ID & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll-free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.



## Annexure- 2

**Detailed information in respect of deduction of tax at source (TDS) on the Final Dividend for the financial year 2023-24**

We are pleased to inform you that the Board of Directors of the Company , at its meeting held on 15th May 2024, has *inter alia* approved and recommended payment of **final dividend** at the rate of ₹ **0.50 per share** of the face value of ₹ 10/- each on equity shares of the Company for the financial year ended 31st March 2024 ("**Final Dividend**"), subject to the approval of the shareholders at the ensuing 42nd Annual General Meeting (**"AGM"**) of the Company to be held on **Wednesday, 25th September 2024**.

The Final Dividend If declared at the AGM, the said final dividend on equity shares will be credited/dispatched to the shareholders within 30 days form the date of AGM to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on **18th September 2024**.

**TDS PROVISIONS AND DOCUMENTS REQUIRED, AS APPLICABLE FOR RELEVANT CATEGORY OF SHAREHOLDER(S)**

As you are aware that as per the Income Tax Act, 1961 ("Act"), as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the applicable rates at the time of making the payment of the said Dividend.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted by the shareholders and accepted by the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are summarised below:

**Table 1: Resident Shareholders**

| Particulars & Category of shareholders | Rate of Tax Deduction | Exemption documents to be given |
|---|---|---|
| **Resident Individuals** | | |
| If total Dividend income to a resident individual shareholder Financial Year 2024-25 > ₹ 5,000 | 10% in case where PAN is provided/available - 20%, in other cases where PAN is not provided / not available or in case the shareholder falls in the category of "specified persons"* | Update the PAN if not already done with depositaries (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode). |
| Shareholders providing duly signed Form 15G (applicable to **only resident individual shareholders** below the age of sixty years) /15H (applicable to **only resident individual shareholders** aged 60 years or more) provided that all the prescribed eligibility conditions are met. | NIL | Form 15G/15H duly signed – The forms are available on the website of Link Intime. |
| If total Dividend income to a resident individual shareholder in Financial Year 2024-25 < ₹ 5,000 | NIL | - |
| **Resident - Other than Individuals** | | |
| Indian Commercial Banks/Indian Financial Institutions | 10% | - |

| Particulars & Category of shareholders | Rate of Tax Deduction | Exemption documents to be given |
|---|---|---|
| Insurance Companies: LIC & Other Insurance Companies such as GIC/United India Insurance Co/ Oriental Insurance Co/New India Assurance Co as provided under Second Proviso to section 194 of IT Act | NIL | A declaration that it has a full beneficial interest with respect to the shares owned by it along with PAN and copy of the certificate of registration issued by the relevant authority. |
| Govt. of India, 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 (Section 196) | NIL | Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of Income Tax Act, 1961 along with a self-attested copy of the PAN card and registration certificate. |
| Mutual Funds | NIL<br>10% | Self-declaration that they are specified and covered under section 10 (23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN card and registration certificate.<br>In case of mutual funds not covered under section 10 (23D) of the Income Tax Act, 1961 |
| Alternative Investment Fund | NIL<br>10% | Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 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 registration certificate.<br>In case AIF other than those registered with SEBI as per Section 115UB of the Income Tax Act. |
| Order under section 197 of the Act | Rate provided in the order | Lower/NIL withholding tax certificate obtained from Income Tax authorities. |
| Other resident shareholder without PAN/Invalid PAN/ or falling into the category of specified persons as per section 206AB of the Act | 20% | - |

**Please Note that:**

a) **Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.**

b) **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**

**Table 2: Non-resident Shareholders**

Tax is required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. As per the said provisions, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable. However, as per Section 90 of the Income Tax Act, 1961, a non-resident payee has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the DTAA benefits, the non-resident shareholder will have to provide documents provided in the table:





| Category of shareholder | Tax Deduction Rate | Exemption applicability/ Documentation requirement |
|---|---|---|
| Any non-resident shareholder (This includes Foreign Companies, Bodies Corporate, Foreign Institutional Investors, Foreign Portfolio Investors, NRI, Foreign Nationals and other foreign entities) | 20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower<br>Or in case the shareholder is a specified person as per Section 206AB, then twice the above applicable rate would apply to the shareholder | Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty") as per Section 90 of the Income tax Act, 1961. The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company<br>• Copy of the PAN Card, if any, allotted by the Indian authorities.<br>• Self-attested copy of Tax Residency Certificate (TRC) valid as on the record date, obtained from the tax authorities of the country of which the shareholder is resident.<br>• Duly certified Form 10F electronically filed on Indian Income-tax Portal or submission of duly signed/certified Form 10F in physical mode for 2024-2.<br>• Self-declaration in prescribed form confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not / will not have place of effective management in India for 2024-25.<br>• Self-declaration in the prescribed format which is available in Link Intime website.<br>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above mentioned documents are not provided.<br>However, the Company in its sole discretion reserves the right to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts and to call for any further information. Application of DTAA rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company. |
| Submitting Order under section 197 of the Act | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from Income Tax authorities. |

**Note: The 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.**

**Applicability of higher rates on Specified Person* as per Section 206AB in case of Resident Members and Non-Resident Members who have Permanent establishment in India for TDS under section 194/195/196D of the Act:**

The rates of TDS under section 206AB of the Act shall be higher of the following:

i. twice the rate specified in the relevant provision of the Act

ii. twice the rate or rates in force; or

iii. the rate of five percent.

* **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.

- In this regard, the Company shall assess the 'Specified Person' based on the functionality provided by the Income Tax Department for compliance check under section 206AB.
- If any Resident or Non- Resident member is falling in the category of 'Specified Person' as per the above functionality by Income Tax Department, the

Company shall be obliged to deduct tax at higher rate of TDS as per section 206AB of the Act (plus applicable surcharge and cess).

**Benefit under Rule 37BA:**

In case where shares are held by intermediaries/ stock brokers and TDS is to be applied by the Company in the PAN of the beneficial shareholders then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration within the prescribed date. Any declaration submitted after the cut-off date will not be accepted.

**General Instructions:**

Kindly note that the documents as mentioned above are required to be submitted to the Registrar at email ID ppldivtax@linkintime.co.in or update the same by visiting the link https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html **on or before the 18th September 2024** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication/ documents on the tax determination / deduction shall be considered post **18th September 2024**.

**For all Shareholders:**

The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The Link for the same is as under:

https://www.linkintime.co.in/client-downloads.html - On this page select the **General tab**. All the forms are available in under the head **"Form 15G/15H/10F"**

The aforementioned documents (duly completed and signed) are required to be uploaded on the URL mentioned below:

https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html

On this page the user shall be prompted to select / share the following information to register their request.

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

In case dividend income is assessable in the hands of person other than member then declaration needs to be provided by member for the same as per Rule 37BA of the Income Tax Rules, 1962.

**Further, please note that all forms/declarations submitted are valid for the Financial Year for which it has been issued. Hence, you are requested to submit appropriate forms for Current Financial Year.**

**In the absence of receipt of or satisfactory completeness of the requisite documents or details, within the specified time, TDS would be deducted as per the provisions of the Income Tax Act. In such a case, no subsequent adjustments will be made by the Company for documents received later than 18th September 2024 above. Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from your end, then option is available to you to file the return of income as per Act and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.**

The post completion of dividend activities the shareholders will 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

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 Member/s, such Member/s will be responsible to indemnify the Company against all claims, demands, penalties, losses etc. and also, provide the Company with all information / documents and co-operation in any appellate proceedings. No claim shall lie against the Company for such taxes deducted.

We request your cooperation in this regard.

Yours Sincerely,

**For Paradeep Phosphates Limited**

**Sachin Patil**
**Company Secretary**
**31286**

*Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional*

## NOTES

Paradeep Phosphates Limited

**Registered Office**

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**The Address for Correspondence/Corporate Office**

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Off Cubbon Road, Benagaluru- 560001, Karnataka

Email: cs.ppl@adventz.com